

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ**  
**AGENDA OF THE SPECIAL BOARD MEETING**  
**December 14, 2022**  
**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ**  
2160 41<sup>st</sup> Avenue, Capitola, CA 95010

- Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public are invited to submit their comments via email to [housing@hacosantacruz.org](mailto:housing@hacosantacruz.org) prior to the meeting or join the Zoom Meeting via this link:

Topic: Housing Authority of the County of Santa Cruz Board of Commissioners Meeting  
Time: Dec 14, 2022 11:30 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/85246250606?pwd=K3dTcE8xODZuRXFjYnBqQkdRMVNGdz09>

Meeting ID: 852 4625 0606

Passcode: 449009

One tap mobile

+16694449171,,85246250606#,,,,\*449009# US

+16699006833,,85246250606#,,,,\*449009# US (San Jose)

Dial by your location

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 408 638 0968 US (San Jose)

Meeting ID: 852 4625 0606

Passcode: 449009

Find your local number: <https://us02web.zoom.us/j/85246250606>

1. Roll Call

**HOUSING AUTHORITY BOARD OF COMMISSIONERS:**

Chairperson Andy Schiffrin	4 year term expires, March 17, 2023
Vice Chairperson Carol Berg	4 year term expires, May 21, 2025
Commissioner Ligaya Eligio	2 year term expires, October 18, 2024
Commissioner Providence Martinez Alaniz	Expires February 10, 2023
Commissioner Annette Melendrez	4 year term expires, September 29, 2023
Commissioner Silvia Morales	Expires September 1, 2023
Commissioner Richard Schmale	2 year term expires, May 12, 2023

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

A. Board of Commissioners Meeting Format

Motion to Adopt Resolution No. 2022-20 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

B. General Counsel Legal Services Contract Award

Approve Recommendation for the Executive Director to Execute a Contract for General Counsel Legal Services with Goldfarb & Lipman LLP

C. Minutes of the Annual Meeting held October 26, 2022

Motion to Approve as Submitted

D. Quarterly Financials

Receive Report

4. Oral Communications (All oral communications must be directed to an item not listed on this agenda and must be within the jurisdiction of the Board. Presentations must not exceed three minutes in length. The Board will not take action or respond immediately to any Oral Communication presented, but may choose to follow up at a later time or schedule item for a subsequent agenda. The Board may limit the total amount of time allowed for oral communication). Anyone addressing the Board of Commissioners is asked to complete a card and leave it with the Board secretary so that their names may be accurately recorded in the Minutes.
5. Unfinished Business
6. New Business
- A. Moving to Work (MTW) Supplement to the Annual PHA Plan  
Discuss Draft MTW Supplement and Provide Direction to Staff
7. Written Correspondence  
Appointment letters from the Board of Supervisors
8. Report of Executive Director
9. Reports from Board Members  
(Board members may report on meetings attended, if any, or other items of interest.)
10. Closed Session
11. Report on Closed Session
12. Adjournment

The Housing Authority complies with the Americans with Disabilities Act. If you are a person with disabilities and you require special assistance in order to participate, please contact the Board secretary at 831-454-9455, ext. 201 at least 72 hours in advance of the meeting in order to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.

Spanish language translation is available on an as needed basis. Please make arrangements 72 hours in advance by contacting the Housing Authority at 831-454-9455, ext. 280.

*Agendas can be obtained from the Housing Authority of the County of Santa Cruz Administration Department.*

## AGENDA ITEM SUMMARY

---

**MEETING DATE:** December 14, 2022

**ITEM NUMBER:** 3A

**FROM:** Executive Director

---

**SUBJECT:** Board of Commissioners Meeting Format

---

**RECOMMENDATION:** Adopt Resolution No. 2022-20 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

---

### **BACKGROUND SUMMARY:**

On September 16, 2021, California Governor Gavin Newsom signed AB 361 into law, amending the Ralph M. Brown Act to include new authorization for remote meetings, including remote public comment, for all local agencies. The new authorization, which largely extends the provisions of the Governor's Executive Order N-29-20 (signed March 17, 2020) and Executive Order N-35-20 (signed March 21, 2020), is effective until January 1, 2024.

Given the continuing COVID-19 state of emergency, AB 361 was introduced to establish clear rules for teleconference meetings during such emergencies, effective immediately and until January 1, 2024. Effective September 16, 2021, new Government Code section 54953(e)(1) allows local agencies to continue to meet via teleconference without complying with the Brown Act's traditional agenda posting, physical access and quorum requirements for teleconferencing, but only during a state of emergency proclaimed by the Governor (in accordance with Government Code section 8625) in which (1) state or local health officials have imposed or recommended measures to promote social distancing, or (2) the legislative body has determined (or is meeting to determine) by majority vote that meeting in person would present imminent risk to the health or safety of the attendees.

This new authority requires local agencies to verify every 30 days that the exemption from traditional teleconference requirements is still necessary. Specifically, the legislative body must redetermine that either i) the state of emergency continues to directly impact the ability of the members to meet safely in person, or ii) state or local officials continue to impose or recommend measures to promote social distancing.

Currently, the Governor's March 4, 2020 proclamation of State of Emergency is still in effect. The California Department of Public Health continues to recommend that all individuals wear masks in indoor public settings. Additionally, the Santa Cruz County Health Officer currently recommends that face coverings be worn in public indoor settings for all individuals in the County.

**RECOMMENDATION** Adopt Resolution No. 2022-20 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

**RESOLUTION NO. 2022-20**

On the motion of Commissioner

Duly seconded by Commissioner

The Following Resolution is Adopted:

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ REAFFIRMING THAT THE PROCLAMATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF CALIFORNIA ISSUED ON MARCH 4, 2020 RELATING TO THE COVID-19 VIRUS REMAINS IN EFFECT AND LOCAL OFFICIALS CONTINUE TO RECOMMEND SOCIAL DISTANCING MEASURES TO MITIGATE THE SPREAD OF THE COVID-19 VIRUS AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODY OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ PURSUANT TO BROWN ACT PROVISIONS.**

WHEREAS, the Housing Authority of the County of Santa Cruz (“HACSC”) is committed to preserving and nurturing public access and participation in meetings of the Board of Commissioners; and

WHEREAS, all meetings of the HACSC’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code §54950 *et seq.*) (“Brown Act”), so that any member of the public may attend, participate, and watch the HACSC’s legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, the Board of Commissioners previously adopted a Resolution, Number 2022-18 on October 26, 2022 finding that the requisite conditions exist for the legislative body of the HACSC to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Commissioners must reconsider the circumstances of the state of emergency that exists, and the Board of Commissioners has done so; and

WHEREAS, the State of Emergency proclaimed by the Governor of California on March 4, 2020, due to the outbreak and spread of the COVID-19 virus remains in effect and active in order to be able to prepare, respond, and implement measures to mitigate the spread of the COVID-19 virus; and

WHEREAS, local officials within the State of California and the County of Santa Cruz continue to recommend social distancing measures to mitigate the spread of the COVID-19 virus; and

WHEREAS, as a consequence of the proclaimed state of emergency pursuant to the COVID-19 virus which continues to remain in effect, and local officials continuing to recommend social distancing measures to mitigate the spread of the COVID-19 virus, the Board of Commissioners does hereby find that the legislative bodies of the HACSC shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the meetings of the HACSC's legislative bodies continue to be open to the public, in accordance with the law.

**NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Reaffirmation of Governor's Proclamation of a State of Emergency. The Board hereby finds that the Governor of the State of California's Proclamation of State of Emergency pursuant to the COVID-19 virus, effective as of its issuance date of March 4, 2020, continues to remain in effect.

Section 3. Reaffirmation of Local Officials Recommendation of Social Distancing Measures. The Board hereby finds that local officials within the State of California and the County of Santa Cruz continue to recommend social distancing measures to mitigate the spread of the COVID-19 virus.

Section 4. Remote Teleconference Meetings. The Executive Director of the HACSC and legislative bodies of the HACSC are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective for thirty (30) days or until such time the Board of Commissioners adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the HACSC may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

**PASSED AND ADOPTED** by the Board of Commissioners of the Housing Authority of the County of Santa Cruz, this Fourteenth of December 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Chairperson of the Authority

ATTEST:

---

Secretary of the Authority

## AGENDA ITEM SUMMARY

---

**MEETING DATE:** December 14, 2022

**ITEM NUMBER:** 3B

**FROM:** Executive Director

---

**SUBJECT:** General Counsel Legal Services Contract Award

---

**RECOMMENDATION:** Approve Recommendation for the Executive Director to Execute a Contract for General Counsel Legal Services with Goldfarb & Lipman LLP

---

### **BACKGROUND SUMMARY:**

The Housing Authority issued a Request for Proposals (RFP) for General Counsel Legal Services on October 11, 2022. The purpose of this RFP was to solicit proposals from qualified laws firms to provide legal services to the Housing Authority, New Horizons Affordable Housing and Development Corporation (New Horizons), and the Board of Commissioners. Legal services include but are not limited to, research, interpreting laws, proposed legislation, case laws and statutes related to housing, affordable housing programs, affordable housing finance, real estate development, procurement, and contracts. The scope of work will also include ensuring compliance with public records laws, civil rights, fair housing, and labor compliance laws such as prevailing wages and Davis Bacon. The submission deadline for responses was November 3, 2022. Three law firms responded to the RFP.

### **Review Process**

The Housing Authority evaluation panel consisted of three members of HACSC's executive management team to review and score each proposal. The evaluation panel focused on the following categories to score each proposal:

- Technical capabilities in terms of personnel, flexibility of capacity, and management plan.
- Demonstrated experience in performing similar work and successful past performance of contract work.
- The proposed cost.

Goldfarb & Lipman LLP, the selected proposal, received the top score among each individual scoring category with a total score of 94.

### **Selected Firm**

Goldfarb & Lipman LLP has extensive experience providing legal services to public and private clients in affordable housing, real estate development, public finance, and employment and municipal law. Goldfarb & Lipman LLP represents over 100 hundred public agencies and nonprofit housing developers, which include several Public Housing Authorities (PHAs) throughout California. Their experience advising on federal and state funding, includes programs through HUD, USDA, and HCD, and their knowledge of state laws will assist the Housing Authority navigate technical and complex issues. Their level of expertise and experience is increasingly critical as the Housing Authority is actively engaged on the development of 415



Natural Bridges, the implementation and administration of MTW designation, and the role of New Horizons to support the mission and goals of the Housing Authority. Lastly, the Housing Authority has prior experience working with Goldfarb & Lipman LLP on limited engagements in which they assisted with development activities and real estate restructurings which include providing guidance on Section 22, Voluntary Streamline Conversion of our public housing units.

### **Contract Execution**

Upon Board approval, the Housing Authority plans to enter an initial contract with a term period of 3 years, with an option to extend the term for up to 2 additional one-year periods with a maximum compensation of \$250,000.

**RECOMMENDATION:** Approve Recommendation for the Executive Director to Execute a Contract for General Counsel Legal Services with Goldfarb & Lipman LLP

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF REGULAR MEETING OCTOBER 26, 2022, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41<sup>ST</sup> AVENUE, CAPITOLA, CA 95010

---

Secretary Panetta introduced Providence Martinez Alaniz who was in attendance at the Board of Commissioners meeting. Ms. Martinez Alaniz is the Watsonville City Council's approved nominee to represent Watsonville on the Housing Authority Board of Commissioners. This nomination will be on the County Board of Supervisors November 15 agenda for consideration of the official appointment. The Board of Commissioners congratulated Ms. Martinez Alaniz for her nomination. Ms. Martinez Alaniz informed the Board that she is excited to be nominated as Commissioner with the Housing Authority of the County of Santa Cruz and looks forward to working with the Board if officially appointed.

**AGENDA ITEM NO. 1** Roll Call

Chairperson Schiffrin called the meeting to order at 11:31 a.m. Members present via Zoom meeting Chairperson Schiffrin, Vice-Chairperson Berg, Commissioners Eligio, Melendrez and Schmale

**Members Absent**

None.

**Staff Present**

Jennifer Panetta, Aaron Pomeroy, Tom Graham and Courtney Byrd of the Housing Authority

**AGENDA ITEM NO. 2** Consideration of Late Additions or Changes to the Agenda

None.

**AGENDA ITEM NO. 3** Consent Agenda

Chairperson Schiffrin asked for a motion to approve the Consent Agenda.

Commissioner Schmale moved for the approval of the Consent Agenda; Commissioner Berg seconded the motion and it as passed by the following vote:

AYES: Commissioners Berg, Eligio, Melendrez, Schiffrin and Schmale  
NOES: None  
ABSENT: None  
ABSTAIN: None

Agenda Item 3A. Adopted Resolution No. 2022-18 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

Agenda Item 3B. Approved Special Meeting on December 14, 2022 at 11:30 a.m.

Agenda Item 3C. Approved Minutes of the Annual Meeting held August 24, 2022

Agenda Item 3D. Authorized Year-End Interfund Loans from 41<sup>st</sup> Ave Office Fund

Agenda Item 3E. Received Report Quarterly Financials

Agenda Item 3F. Approved Draft Revision to Procurement Policy

Agenda Item 3G. Approved New Salary Schedule

Agenda Item 3H. Received Report Housing Authority Fiscal Year 2022/2023 Agency Goals – Quarter 1

Agenda Item 3I. Received Report New Horizon Programs and Services – Quarter 1 Report

Finance Director Pomeroy exited the meeting at 11:36 a.m.

**AGENDA ITEM NO. 4**                      Oral Communications

- Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public are invited to submit their comments via email to [housing@hacosantacruz.org](mailto:housing@hacosantacruz.org) prior to the meeting or join the Zoom Meeting via this link:

Topic: Housing Authority of the County of Santa Cruz Board of Commissioners Meeting  
Time: Oct 26, 2022 11:30 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/82894109479?pwd=azVWajJDNURST09VMHI4SllxZG9Sdz09>

Meeting ID: 828 9410 9479

Passcode: 793043

One tap mobile

+16699006833,,82894109479#,,,,\*793043# US (San Jose)

+14086380968,,82894109479#,,,,\*793043# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 408 638 0968 US (San Jose)

+1 669 444 9171 US

+1 719 359 4580 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 386 347 5053 US

+1 564 217 2000 US

+1 646 876 9923 US (New York)

+1 646 931 3860 US

+1 301 715 8592 US (Washington DC)

Meeting ID: 828 9410 9479

Passcode: 793043

Find your local number: <https://us02web.zoom.us/j/82894109479>

No emails with comments were submitted. Chairperson Schiffrin asked if there were members of the public in attendance who would like to comment on items not on the agenda. Former Commissioner Sonja Brunner was in attendance. Ms. Brunner stated she was joining the meeting but had no Oral Communications. Chairperson Schiffrin welcomed Ms. Brunner. No other members of the public were in attendance.

**AGENDA ITEM NO. 6A**

Moving to Work Annual Contribution Contract Amendment

Secretary Panetta informed the Board that this item is the Moving to Work Annual Contribution Contract (MTW ACC) Amendment. The ACC is before the Board with a staff recommendation that the Board approve the MTW ACC and delegate authority to the Executive Director to execute the MTW ACC Amendment with HUD. Secretary Panetta informed the Board the MTW ACC is a written contract between HUD and the Housing Authority of the County of Santa Cruz and the execution of the MTW ACC Amendment is a significant step for the agency due to the fact that the execution date will be the date of the Housing Authority's formal admission into the MTW program and the agency's official designation as a MTW Agency. Secretary Panetta introduced Director of Operations Tom Graham who provided a summary of the key provisions in the MTW ACC Amendment. Director Graham also provided the Board with an overview and a general timeline of the next steps related to MTW implementation.

Secretary Panetta stated that at the December Board of Commissioners meeting, staff will be presenting to the Board a draft of the MTW Supplement to the Agency Plan. A discussion followed.

Commissioner Berg moved for the approval of the MTW Annual Contribution Contract Amendment and Delegate Authority to the Executive Director to Execute the MTW Annual Contribution Contract Amendment; Commissioner Melendrez seconded the motion and it as passed by the following vote:

AYES: Commissioners Berg, Eligio, Melendrez, Schiffrin and Schmale  
NOES: None  
ABSENT: None  
ABSTAIN: None

Director of Operations Tom Graham exited the meeting with thanks from the Board of Commissioners and Secretary Panetta.

**AGENDA ITEM NO. 7**

Written Correspondence

None.

**AGENDA ITEM NO. 8**

Report of Executive Director

Executive Director Panetta updated the Board on the proposed legislation to increase the PBV program cap.

Executive Director Panetta updated the Board on the Natural Bridges development.

Executive Director Panetta informed the Board that the Housing Authority of the County of Santa Cruz released a General Counsel RFP for legal services. The Housing Authority plans to present the recommendation of award to the Board of Commissioners in December 2022, with a recommendation to

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF REGULAR MEETING OCTOBER 26, 2022, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41<sup>ST</sup> AVENUE, CAPITOLA, CA 95010

---

execute a contract with the selected General Counsel.

Executive Director Panetta informed the Board that on September 1, HUD issued new Fair Market Rents to all counties and metropolitan areas nationwide. The FMR study staff submitted was accepted by HUD and resulted in increases of approximately 6% for Santa Cruz County, and approximately 30% for San Benito County.

Executive Director Panetta informed the Board that HUD has recently provided a few new opportunities for PHAs to apply for additional vouchers. Fair Share, Stability and VASH vouchers.

Executive Director Panetta updated the Board of the two vacant positions on the Board of Commissioners. The Watsonville City Council approved the nomination of Providence Martinez Alaniz. The County Board of Supervisors nominated Silvia Morales for appointment for the County At-Large position. Both vacant positions are expected to be considered for final approval on October 25 or November 15. Executive Director Panetta informed the Board that she is looking forward to working with Providence and Silvia and having a complete Board of Commissioners.

Executive Director Panetta gave the Board a legislative update.

**AGENDA ITEM NO. 9** Reports from Board Members  
None.

**AGENDA ITEM NO. 10** Closed Session  
None.

**AGENDA ITEM NO. 11** Report on Closed Session  
None.

**AGENDA ITEM NO. 12** Adjournment

The Board of Commissioners meeting was adjourned at 12:06 p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Fourteenth of December 2022.

\_\_\_\_\_  
Chairperson of the Authority

ATTEST: \_\_\_\_\_

Secretary

## AGENDA ITEM SUMMARY

---

**MEETING DATE:** December 14, 2022

**ITEM NUMBER:** 3D

**FROM:** Executive Director

---

**SUBJECT:** Quarterly Financials

---

**RECOMMENDATION:** Receive Report

---

### BACKGROUND SUMMARY:

The year-to-date financial reports, as of September 30, 2022, take us 3 months, or 25%, into the current fiscal year. The total of all revenue, excluding HAP reimbursements, is 23% of total budgeted, while HAP is 24% of the amount budgeted. Total expenses, excluding HAP, are 21% of the amount budgeted. Total non-HAP revenue and non-HAP expenses are under budget as a result of the majority of capital expenditures scheduled to occur later in the budget year.

The agency as a whole is experiencing a year-to-date surplus of \$474,653 due to personnel costs being under budget and slightly higher than expected Section 8 admin fees. The surplus and deficit positions by programs groups are as follows:

Section 8 Programs	\$319,771	Vouchers, Mod Rehab & Mob Rehab SRO
Federal Housing Programs	28,001	Casa Pajaro & Tierra Alta Farm Labor Housing
Federal Grants	0	Family Self Sufficiency & Shelter Plus Care
Local Programs	(1,524)	Security Deposits, Landlord Incentives, Eligibilities
Business Activities	128,405	Includes 41st Ave Offices & Mission St Warehouse
<b>Agency-Wide Surplus</b>	<b>\$474,653</b>	

The following individual program is experiencing a year-to-date deficit:

County of Santa Cruz	(\$2,130)	(Local program admin fees insufficient to cover personnel costs)
----------------------	-----------	--

**RECOMMENDATION:** Receive Report

# HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

## Budget Comparison - All Funds

### Agency-Wide Summary

Fiscal Year to Date for the Period July 1, 2022 - September 30, 2022 (1st Quarter)

---

		2022-2023	
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
<b>Revenues:</b>			
HAPS / Program	28,047,673	116,679,920	24%
Administrative Fees	2,377,591	9,010,061	26%
Grants / Contracts	123,644	966,416	13%
Rental Income	400,524	1,711,806	23%
Operating Transfers In	127,417	1,316,124	10%
Other Income	18,789	94,862	20%
<b>Total Revenues:</b>	<b>31,095,636</b>	<b>129,779,189</b>	<b>24%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	28,047,673	116,679,920	24%
Salaries	1,092,607	4,694,253	23%
Employee Benefits	487,309	2,436,384	20%
Capital Purchases	149,575	1,306,424	11%
Maintenance	80,255	466,036	17%
General Administrative	493,202	2,277,247	22%
Tenant Services	255,019	939,007	27%
Operating Transfers Out	15,343	60,615	25%
Debt Service	0	7,294	0%
<b>Total Expenses:</b>	<b>30,620,983</b>	<b>128,867,180</b>	<b>24%</b>
<b>Surplus (Deficit):</b>	<b>474,653</b>	<b>912,009</b>	

# HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

## Budget Comparison - Section 8

Includes Mod Rehab, Mainstream, and Santa Cruz Voucher Program

Fiscal Year to Date for the Period July 1, 2022 - September 30, 2022 (1st Quarter)

---

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
<b>Revenues:</b>			
HAPS / Program	27,853,646	115,877,197	24%
Administrative Fees	2,197,274	8,159,181	27%
Grants / Contracts	-	-	0%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	4,362	22,724	19%
<b>Total Revenues:</b>	<b>30,055,282</b>	<b>124,059,102</b>	<b>24%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	27,853,646	115,877,197	24%
Salaries	912,570	3,840,248	24%
Employee Benefits	426,750	2,094,825	20%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	368,009	1,582,597	23%
Tenant Services	174,535	202,500	86%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
<b>Total Expenses:</b>	<b>29,735,510</b>	<b>123,597,367</b>	<b>24%</b>
<b>Surplus (Deficit):</b>	<b>319,771</b>	<b>461,735</b>	



# HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

## Budget Comparison - Federal Housing

Includes Casa Pajaro (USDA) and Tierra Alta (USDA)

Fiscal Year to Date for the Period July 1, 2022 - September 30, 2022 (1st Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
<b>Revenues:</b>			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	-	-	0%
Rental Income	179,022	768,397	23%
Operating Transfers In	11,480	724,069	2%
Other Income	12,616	41,376	30%
<b>Total Revenues:</b>	<b>203,118</b>	<b>1,533,842</b>	<b>13%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	-	-	0%
Salaries	43,887	191,567	23%
Employee Benefits	15,214	81,946	19%
Capital Purchases	11,480	724,069	2%
Maintenance	57,880	333,800	17%
General Administrative	31,313	123,882	25%
Tenant Services	-	-	0%
Operating Transfers Out	15,343	60,615	25%
Debt Service	-	7,294	0%
<b>Total Expenses:</b>	<b>175,117</b>	<b>1,523,173</b>	<b>11%</b>
<b>Surplus (Deficit):</b>	<b>28,001</b>	<b>10,668</b>	

# HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

## Budget Comparison - Federal Grants

Includes Family Self Sufficiency (FSS) and Shelter Plus Care

Fiscal Year to Date for the Period July 1, 2022 - September 30, 2022 (1st Quarter)

---

		2022-2023	
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
<b>Revenues:</b>			
HAPS / Program	194,027	802,723	24%
Administrative Fees	-	-	0%
Grants / Contracts	38,461	191,916	20%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	-	-	0%
<b>Total Revenues:</b>	<b>232,488</b>	<b>994,639</b>	<b>23%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	194,027	802,723	24%
Salaries	23,135	147,493	16%
Employee Benefits	13,965	68,590	20%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	252	1,933	13%
Tenant Services	1,109	26,607	4%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
<b>Total Expenses:</b>	<b>232,488</b>	<b>1,047,346</b>	<b>22%</b>
<b>Surplus (Deficit):</b>	<b>0</b>	<b>(52,707)</b>	

# HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

## Budget Comparison - Local Programs

Includes programs funded by the local jurisdictions

Fiscal Year to Date for the Period July 1, 2022 - September 30, 2022 (1st Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
<b>Revenues:</b>			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	85,183	774,500	11%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	1,810	9,100	20%
<b>Total Revenues:</b>	<b>86,993</b>	<b>783,600</b>	<b>11%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	-	-	0%
Salaries	5,418	42,765	13%
Employee Benefits	1,382	16,069	9%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	2,341	13,645	17%
Tenant Services	79,375	709,900	11%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
<b>Total Expenses:</b>	<b>88,516</b>	<b>782,379</b>	<b>11%</b>
<b>Surplus (Deficit):</b>	<b>(1,524)</b>	<b>1,221</b>	

# HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

## Budget Comparison - Business Activities

Includes Business - Type Activities for Mission Street Warehouse, 41st Ave Office,  
and the Management Funds New Horizons & Merrill Road

Fiscal Year to Date for the Period July 1, 2022 - September 30, 2022 (1st Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
<b>Revenues:</b>			
HAPS / Program	-	-	0%
Administrative Fees	180,317	850,879	21%
Grants / Contracts	-	-	0%
Rental Income	221,502	943,409	23%
Operating Transfers In	115,937	592,055	20%
Other Income	-	21,662	0%
<b>Total Revenues:</b>	<b>517,755</b>	<b>2,408,005</b>	<b>22%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	-	-	0%
Salaries	107,597	472,180	23%
Employee Benefits	29,996	174,954	17%
Capital Purchases	138,095	582,355	24%
Maintenance	22,375	132,236	17%
General Administrative	91,286	555,189	16%
Tenant Services	-	-	0%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
<b>Total Expenses:</b>	<b>389,350.3</b>	<b>1,916,914</b>	<b>20%</b>
<b>Surplus (Deficit):</b>	<b>128,405</b>	<b>491,091</b>	

## AGENDA ITEM SUMMARY

---

**MEETING DATE:** December 14, 2022

**ITEM NUMBER:** 6A

**FROM:** Executive Director

---

**SUBJECT:** Moving to Work (MTW) Supplement to the Annual PHA Plan

---

**RECOMMENDATION:** Discuss Draft MTW Supplement and Provide Direction to Staff

---

### **BACKGROUND SUMMARY:**

In September 2022, HUD designated the Housing Authority of the County of Santa Cruz (HACSC) as a Moving To Work (MTW) Agency through the MTW Asset Building Cohort, to test asset building initiatives designed to encourage the growth of savings accounts for assisted households and improve economic mobility. At the October meeting, the HACSC Board of Commissioners authorized execution of the MTW Annual Contributions Contract (ACC) which, once fully executed by HUD, will formalize our admission into the MTW demonstration program.

With the MTW Annual Contributions Contract submitted to HUD for execution, the next step in MTW implementation is the development of an MTW Supplement to our Annual PHA Plan, a draft of which is attached for review. This proposed MTW Supplement identifies the MTW waivers and activities that staff propose to implement with the administrative flexibility provided to MTW agencies to achieve HUD's three MTW statutory objectives of Economic Mobility (referred to in the MTW Supplement as *Self-Sufficiency*), Cost Effectiveness, and Housing Choice. The proposed regulatory waivers are designed to benefit families while also administering the program more efficiently, saving staff time and decreasing costs so that additional staff capacity and financial resources can be redirected towards the asset building activities that will be developed and implemented through this demonstration program.

HACSC's MTW Application proposed to utilize the HUD defined "Opt-Out Savings Account" as the initial MTW asset building activity. It is important to note that the asset building program to be developed is not included in the MTW Supplement. Instead, HACSC will work with HUD and the HUD-designated evaluation team to develop a proposed Opt Out Savings Account program, which will be presented to the Board for consideration at a future date prior to adoption and implementation. The timeline for the development of asset building programs has not yet been determined, and more information is needed from HUD before a timeline can be established. HACSC has begun meeting with the evaluation consultant and is actively participating in the "Community of Practice" with HUD, the evaluation team, and other MTW agencies in the Asset Building Cohort, to further develop and implement best practices related to asset building.

### Regulatory Waivers Proposed in MTW Supplement

As stated above, the regulatory waivers proposed in the attached draft MTW Supplement fall within HUD's three MTW statutory objectives of Economic Mobility (referred to in the MTW Supplement as *Self-Sufficiency*), Cost Effectiveness, and Housing Choice. A list of waivers related to each HUD Statutory Objective is provided below. Additionally, a table listing all proposed waivers, including a waiver description, staff notes, justification for the waiver as related to HUDs Statutory Objectives, as well as a summary of how each waiver would impact the agency, and would impact the families that we serve, is provided following the staff report. HACSC is excited to have the opportunity to participate in the Asset

Building Cohort and to implement MTW waivers that will achieve HUD's statutory objectives. These activities align with the agency mission and our long-term vision for MTW.

**Economic Mobility:** Implementation of the Opt-Out Savings Account initiative will be the focal point of initial economic mobility, or self-sufficiency, efforts. Staff propose to use the Opt-Out Savings Account program as the baseline for future economic mobility programs. This initiative will assist HACSC to build and expand upon a network of partnerships with service providers, financial service institutions, and other community-based organizations to promote economic mobility. Additionally, some of the proposed regulatory waivers will also support the goal of economic mobility, including alternative income exclusions, alternative reexamination schedule, and extending the time that families may remain in the program after achieving financial self-sufficiency. Staff anticipates these initiatives will reduce or eliminate regressive aspects of the program, removing disincentives for assisted households to seek employment opportunities, increased wages, and building assets.

Regulatory waivers promoting economic mobility:

- 1.w. Alternative Income Exclusions
- 3.b. Alternative Reexamination Schedule
- Agency-Specific: Extend zero HAP participation from 180 days to 365 days

**Cost Effectiveness:** Staff propose to leverage MTW authority to implement a range of waivers to achieve administrative efficiencies and cost effectiveness. These waivers will free up capacity that will enable HACSC to provide more meaningful service to enhance customer service, to reduce administrative burden for participants and property owners, and to develop and implement the asset building activities associated with the demonstration program. Program participants will benefit from alternative income exclusions, alternative reexamination schedules, and self-certification of assets. HACSC experience and expertise to conduct certain HQS functions and PBV processes in which third-party assistance is required will eliminate administrative burden coordinating contractors, and support tenants to more rapidly and easily secure housing.

Waivers Promoting Cost-Effectiveness:

- 1.w. Alternative Exclusions
- 2.d. Rent Reasonableness Third Party Requirement
- 3.b. Alternative Reexamination Schedule
- 3.d. Self-Certification of Assets up to \$50K
- 5.c. Third Party Requirement
- 9.c. Elimination of PBV Selection Process for PHA-owned projects without improvement, development, or replacement
- 9.h. Limit Portability for PBV
- 14.a. Waive Initial HQS
- 14.b. Allow Income Calculations from Partner Agencies
- Agency-Specific: Extend Zero HAP Participation from 180 days to 365 Days
- Agency-Specific: Use of Tenant Income Certification (TIC) for PBV eligibility Determination

**Housing Choice:** Staff propose to leverage MTW authority to also request waivers that will enhance housing choice, including providing additional housing stability to program participants that are already housed through waivers such as alternative income exclusions, an alternative reexamination schedule, and Moving On policies to align tenant rent and utility payments between partner agencies. The strategy to promote housing choice and to increase the supply of affordable housing will be achieved by increasing the PBV program cap and PBV project cap. The ability to expand the PBV program will provide new housing opportunities to program participants and will support the development of new units within our community.

#### Waivers Promoting Housing Choice:

- 1.w. Alternative Income Exclusions
- 2.b. Payment Standards - Fair Market Rents
- 5.c. Third Party Requirement
- 9.a. Increase PBV Program Cap
- 9.b. Increase PBV Project Cap
- 14.a. Waive Initial HQS
- 14.c. Aligning Tenant Rents and Utility Payments Between Partner Agencies

#### Next Steps

Staff will prepare a draft update the Housing Choice Voucher Administrative Plan and Agency Annual Plan for consistency with the proposed MTW activities. Subsequently, the Resident Advisory Board (RAB) will convene in January to review and provide input on the Proposed MTW Supplement, the 2023 Draft Agency Plan, and the 2023 Draft Administrative Plan.

Staff will incorporate the input regarding the Proposed MTW Supplement from the Board of Commissioners and the RAB into a Draft 2023 Annual Agency Plan and MTW Supplement, and a public notice will be posted for a 45-day period, inviting public comment on the Draft Annual Plan and MTW Supplement preceding a public hearing. An updated draft of the complete Agency Annual Plan, Administrative Plan and MTW supplement will be provided to the Board for additional discussion at the regular February meeting. The public hearing will be scheduled to correspond with the March 2023 Board of Commissioners meeting. At that meeting, staff will request that the Board approve the draft Annual PHA Plan and MTW Supplement and execute the MTW Certifications of Compliance form which staff will submit as part of the MTW Supplement submission to HUD.

After the public comment period and the public hearing, staff will draft an additional narrative describing the public review process, providing a summary of the comments received, a description of how the comments were considered, and any decisions made based on these comments. The narrative will be submitted to HUD together with the 2023 MTW Supplement and Certifications of Compliance.

Staff anticipates submitting the final 2023 MTW Supplement, 2023 Agency Plan, and 2023 Administrative Plan to HUD in April 2023, for implementation of MTW Activities commencing July 1, 2023.

**RECOMMENDATION:** Discuss Draft MTW Supplement and Provide Direction to Staff

#### **ATTACHMENTS:**

1. Overview of Proposed MTW Waivers
2. Draft 2023 MTW Supplement

Overview of Proposed MTW Waivers  
Board of Commissioners Meeting  
12/14/2022

#	Waiver Name	Waiver Description	Notes	Justification re: HUD Statutory Objectives	Impact to Agency	Impact to Families
1w	<b>Alternative Income Inclusions and Exclusions (HCV)</b>	The agency may establish alternative policies to include or exclude certain forms of participant income during the income review and rent calculation process.	HACSC proposes to exclude income from asset-building activities, so that they do not result in increases to the tenant portion of rent.  The safe harbor for the Alternative Income Exclusion (HCV) waiver states that an agency must exempt elderly and disabled individuals from any alternative income policy. The HACSC intends to apply this waiver to ALL households instead of excluding elderly and disabled households, as the waiver actually benefits households.	Increases cost effectiveness for the agency; increases economic mobility and housing choice for families.	Minor reduction of staff time. Decreased staff paperwork increases operational efficiency and cost-effectiveness.  Potential for minor increase in HAP expenditures.	Benefits clients participating in asset building programs by avoiding any associated increase in tenant rent, increasing economic mobility and housing choice as well as saving tenant time by avoiding additional verification paperwork.
2b	<b>Payment Standards - Fair Market Rents</b>	The agency is authorized to adopt and implement any reasonable policy to establish payment standards based upon Fair Market Rents (FMR)	HACSC proposes to ensure payment standards fall between 80% - 120% FMR, allowing the agency greater flexibility to establish payment standards that reflect market rents.	Increases housing choice for tenants.	Provides the agency with greater flexibility to establish payment standards that reflect market rents. Resulting payment standards may increase or decrease HAP costs and will be analyzed prior to establishment and implementation.	May increase housing choice for tenants with more responsive and appropriate payment standards that better reflect market rents.
2d	<b>Rent Reasonableness Third Party Requirement</b>	The agency is authorized to perform rent reasonable determinations on PBV units that it owns, manages, and/or controls.	HACSC proposes to no longer require a third party to conduct rent reasonableness tests at properties that HACSC owns, manages, or controls. HACSC will follow the rent reasonableness process used for all other HCV properties and conduct the test using a database consisting of comparable units or properties.	Increases cost effectiveness for the agency and housing choice for families.	Achieves greater cost-effectiveness in federal expenditures, improves administrative efficiencies, and eliminates confusion for staff.  Minor decrease to expenditures.	Improves the response time for conducting rent reasonableness analyses, allowing families to be housed more quickly.
3b	<b>Alternative Reexamination Schedule</b>	The agency may establish an alternative reexamination schedule for households.	HACSC proposes to conduct reexaminations for fixed income families at least every three years and to conduct reexaminations for all remaining (non-fixed income families) at least every two years.	Increases cost effectiveness for the agency and economic mobility for families.	Reduces staff time for acquiring, submitting, and processing paperwork.  Potential to increase HAP expenditures. Analysis ongoing related to the extent to which cost savings of staff time will offset potential increase in HAP.	Reduced frequency of household certifications allows families to keep more of their income as it increases and reduces their burden in acquiring, submitting, and processing paperwork, providing families longer time with stable rent, enhancing their financial planning and housing security. Tenants will have a greater ability to save for and accomplish life goals.
3d	<b>Self Certification of Assets up to \$50K</b>	Self-Certification of Assets (HCV)—At reexamination, the agency may allow the self-certification of assets.	HACSC proposes to allow the self-certification of assets up to \$50,000 at annual reexamination.	Increases cost-effectiveness for the agency.	Reducing documentation saves time for staff.	Reducing documentation saves time for tenants whose assets are below a level that makes a difference in subsidy level.



Overview of Proposed MTW Waivers  
Board of Commissioners Meeting  
12/14/2022

#	Waiver Name	Waiver Description	Notes	Justification re: HUD Statutory Objectives	Impact to Agency	Impact to Families
5c	<b>Third Party Requirement</b>	The agency is authorized to perform HQS inspections on PBV units that it owns, manages, and/or controls.	HACSC proposes to eliminate the requirement for third-party inspections of PHA-owned units.	Increases cost effectiveness for the agency and may increase housing choice for families.	Saves staff time, increases operational efficiency, and increases cost effectiveness.  Minor decrease to expenditures.	May increase housing choice for tenants through a faster inspection process.
9a	<b>Increase PBV Program Cap</b>	The agency may increase the number of authorized units that it project-bases.	HACSC proposes to use up to 50 percent of its vouchers to attach the funding to specific affordable units through the Project Based Voucher program.	Increases housing choice for families.	Spurs construction of new, quality, affordable units, including units for special needs populations, enabling HACSC to more efficiently utilize its vouchers and funding. Increases overall supply of affordable housing, including non-PBV units that HCV waitlist households could benefit from.	Increases affordable housing stock for the community. Ensures PBV units will be available exclusively to voucher individuals and families thereby increasing housing choice.
9b	<b>Increase PBV Project Cap</b>	The agency may raise the PBV cap within a project up to 100%.	HACSC proposes to allow up to 100% of the units at a PBV project to be project based.	Increases housing choice for families.	Spurs construction of new, quality, affordable units, including units for special needs populations, enabling HACSC to more efficiently utilize its vouchers and funding. Increases overall supply of affordable housing, including non-PBV units that HCV waitlist households could benefit from.	Potentially increases the number of units at a given project that can be project based and exclusively available to voucher individuals and families; allows a unit mix that maximizes the number and percent of units at a project that may be available to general waiting list applicants (rather than exclusively available to special population vouchers).
9c	<b>Elimination of PBV Selection Process for PHA-owned projects</b>	The agency may eliminate the third party selection process in the award of PBVs to properties owned by the agency	HACSC proposes to eliminate the independent third party selection process in the award of PBV's to properties owned or controlled by the agency. All other PBV selection and approval requirements, including NEPA review and subsidy layering review are still applicable and must be conducted.	Increases cost effectiveness for the agency.	Reduces staff time. Decreases expenditures.	No impact to families

Overview of Proposed MTW Waivers  
Board of Commissioners Meeting  
12/14/2022

#	Waiver Name	Waiver Description	Notes	Justification re: HUD Statutory Objectives	Impact to Agency	Impact to Families
9h	<b>Limit Portability for PBV</b>	The agency is authorized to waive the requirement to provide a tenant-based voucher at 12 months when requested by a PBV household.	HACSC proposes to continue to allow moves from PBV units with an HCV after 12 months for all families coming from the HCV waiting list. However, for families who did not come from the HCV waiting list (referral based households) HACSC proposes to require households to reside in the PBV unit for 24 months before being eligible to transfer with an HCV. This change ensures that households electing to move into a PBV unit cannot convert to an HCV unit after only one year, effectively bypassing the HCV waitlist. Additionally, it decreases the administrative burden for staff after initial intake.	Increases cost effectiveness for the agency.	Reduces staff time. Decreases expenditures.	Ensures that households electing to move into a PBV unit cannot convert to an HCV unit after only one year, effectively bypassing the HCV waitlist. Participants retain the right to request a tenant-based voucher before 24 months if needed as reasonable accommodation related to a disability or for other special circumstances. May increase housing choice for waiting list applicants.
14a	<b>Waive Initial HQS</b>	For Permanent Supportive Housing (PSH) only: For participants who transfer rental assistance program but who will continue leasing the same unit, the agency is authorized to accept the most recent HQS inspection from the partner agency in place of an initial HQS inspection.	HACSC proposes to waive the initial HQS inspection requirement for PSH residents transitioning into voucher-based assistance who are remaining in their unit. Waiving the initial HQS inspection will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance seamlessly without the disruption of inspection. Participants retain the right to request inspection at any time.	Increases cost effectiveness for the agency and housing choice for families.	Reduces staff time. Decreases expenditures.	Assures that Permanent Supportive Housing households can transition to voucher-based assistance seamlessly without the disruption of inspection.
14b	<b>Allow Income Calculations from Partner Agencies</b>	For Permanent Supportive Housing (PSH) only: The agency is authorized to accept income calculations from the partner agencies.	HACSC proposes to allow the use of income calculations and documentation from partner agencies for PSH households transitioning to voucher based assistance. Utilizing the income calculations and documentation from partner agencies will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance quickly and seamlessly without completing redundant paperwork and procuring verification documents, which can be extremely challenging for vulnerable populations.	Increases cost effectiveness for the agency.	Reduces staff time. Decreases expenditures.	Allows PSH households to transition to voucher-based assistance quickly and seamlessly without completing redundant paperwork and procuring verification documents, which can be extremely challenging for vulnerable populations.

Overview of Proposed MTW Waivers  
Board of Commissioners Meeting  
12/14/2022

#	Waiver Name	Waiver Description	Notes	Justification re: HUD Statutory Objectives	Impact to Agency	Impact to Families
14c	<b>Aligning Tenant Rents and Utility Payments Between Partner Agencies</b>	For Permanent Supportive Housing (PSH) only: The agency is authorized to set tenant rents and/or make adjustments to the total tenant payment to ensure that clients referred from the partner agency are not subject to an increase in rental payments or increase in utility payments due to transferring from a permanent supportive housing program to a public housing or HCV program.	HACSC proposes to allow an adjustment to the subsidy for PSH residents transitioning into voucher based assistance to align the tenant's portion of rent with the PSH program they are transitioning from. If a PSH tenant is transitioning from a program with a different subsidy structure, the transition could result in a significant increase in the tenant's contribution of rent, potentially resulting in displacement from their current unit. Having the flexibility to align the voucher subsidy with the subsidy from the PSH program will avoid increases in tenant rent burden and the potential for displacement.	Increases housing choice for families.	Potential for minor increase in expenditures.	Allows PSH tenants transitioning from a program with a different subsidy structure to transition to voucher based assistance without an increase in tenant rent burden or the risk of potential displacement.
N/A	<b>Agency-Specific Waiver Extend Zero HAP Participation from 180 days to 365 days.</b>	Extend zero HAP participation from 180 days to one year	HACSC proposes to allow families who have increased their income to the point of receiving zero HAP to continue their status as program participants (without receiving subsidy) for one year after achieving zero HAP. Therefore, if they experience a decrease in income and become eligible for subsidy again within the one year period, they may resume receiving rental assistance.	Increases cost effectiveness for the agency and economic mobility for families.	Reduces staff time. Decreases expenditures.	The proposed activity allows families whose incomes have increased to the point that their rent is affordable without subsidy, and who are no longer receiving any rental subsidy, to have additional time before the automatic termination of their contract. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.

Overview of Proposed MTW Waivers  
Board of Commissioners Meeting  
12/14/2022

#	Waiver Name	Waiver Description	Notes	Justification re: HUD Statutory Objectives	Impact to Agency	Impact to Families
N/A	<p><b>Agency-Specific Waiver</b>  <b>Allow use of Tenant Income Certification (TIC) for PBV eligibility Determination</b></p>	<p>Allow use of Tenant Income Certification (TIC) for PBV income verification</p>	<p>HACSC proposes to use the Tenant Income Certification (TIC) form required under the Low Income Housing Tax Credit (LIHTC) Program as verification of income and assets for PBV households in LIHTC units for which such information is available.</p> <p>Owners of PBV units that receive tax credits must comply with Federal LIHTC regulations which are similar to HCV regulations regarding verification of income and assets when determining and recertifying income eligibility of residents. Therefore, at initial eligibility and reexamination for each tenant residing in PBV units that also has LIHTC, the owner and HACSC are duplicating efforts in the verification process. This causes unnecessary delays in processing new tenants and creates redundant demands on clients to submit the same documentation to both the owner and HACSC.</p> <p>The TIC form used by the LIHTC Program requires the client's statement of income and assets, the client's signature, and the property owner's certification that they verified the data provided by the client and is therefore reliable documentation of the client's income/asset profile.</p>	<p>Increases cost effectiveness for the agency.</p>	<p>Reduces staff time. Decreases expenditures.</p>	<p>Reduces delays in new tenant processing and removes redundant demands on clients to submit the same documentation to both the owner and HACSC.</p>

## **NOTE FROM THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ**

The Housing Authority of the County of Santa Cruz (HACSC) will be submitting form HUD-50075-MTW electronically through the Moving to Work (MTW) portal to HUD upon approval of its Board of Commissioners after a public process. Please find the original form HUD-50075-MTW on HUD's website at:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/mtw/expansion/mtwsupplement](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw/expansion/mtwsupplement). This document contains the information in the HUD form, but in an easier to read format, including larger print in a format that will be accessible to persons with disabilities when posted online. Most of the instructions and questions in the document are copied directly from the form HUD-50075-MTW (01/2021).

## **EXPLANATORY NOTE TO PUBLIC REVIEWERS OF THE PROPOSED MOVING TO WORK SUPPLEMENT FILLABLE FORM**

The Moving to Work (MTW) Supplement collects information about policies implemented by MTW expansion agencies. MTW agencies use it to communicate their plans with residents and community stakeholders through required public comment processes, and HUD uses the information collected to monitor and evaluate the MTW demonstration program. MTW agencies will submit the MTW Supplement to HUD annually, and amend as needed. HUD plans to make the MTW Supplement into a fillable form so as to reduce respondent burden and make the information collected more useful to HUD. When the MTW Supplement is available through the fillable form, it will include skip patterns<sup>1</sup> that prompt the user to populate only the sections relevant to what they are currently implementing. It will also include screening questions that will ask which waivers and associated activities they are currently implementing, plan to implement in the upcoming year, or will be discontinued in the submission year. The MTW Agency will be able to print the information from the MTW Supplement in a reader-friendly format in order to inform the public of its plans for the upcoming year. The purposes of the MTW Supplement are two-fold: it reports to HUD what is happening at the local level in a way that the Department can monitor and evaluate; and, more importantly, it informs the public about what the agency is planning and gives the public the ability to provide comment.

The MTW Supplement asks for information about each of the MTW Waivers and associated activities that are made possible by the MTW Operations Notice, Safe Harbor Waivers and Agency-Specific Waivers, and a few other types of information. MTW agencies will fill in information/data through a fillable form and the information collected will be stored in a database so that it can be analyzed by HUD. The approved forms will be posted to the MTW website for viewing by the public. For instance, it will be simple to find out how many MTW agencies and which MTW agencies are implementing each type of activity. It will also simplify reporting for the MTW agency since information will carry over year-to-year in the fillable form so that information that does not change from year to year will be pre-populated, thereby reducing respondent burden.

This document lists the sections of the MTW Supplement and then presents the proposed questions to be included in the MTW Supplement for MTW agencies to answer annually. Throughout the online

---

<sup>1</sup> A skip pattern is a question or series of questions associated with a conditional response.

version, there will be a dropdown menu option that makes it clear as to which activities an agency is permitted to do within the safe harbors of the MTW Operations Notice, Appendix I, MTW Waivers.

### **Sections of the MTW Supplement:**

- A. PHA Information
- B. Narrative
- C. MTW Waivers and Associated MTW Activities
- D. Safe Harbor Waivers
- E. Agency-Specific Waivers
- F. Public Housing Operating Subsidy Grant Reporting
- G. MTW Statutory Requirements
- H. Evaluations
- I. MTW Certifications of Compliance

### **Information to be Collected for MTW Activities**

There are many MTW activities, subject to limitations as outlined in the MTW Operations Notice, that an MTW agency may implement. Each MTW agency will likely only engage in a subset of these MTW activities. The MTW Supplement will first ask MTW agencies to identify which MTW activities they are proposing to implement and which of those MTW activities they are already implementing. MTW agencies will subsequently be asked to provide information only about the MTW activities they are proposing to implement or are already implementing. This feature will reduce respondent burden. MTW waivers have associated MTW activities. MTW agencies are also able to combine MTW activities into their own initiatives.

MTW agencies will be asked for specific information about each MTW activity they are proposing to implement or are already implementing. There are six types of questions that could be asked about each MTW activity. The exact mix of questions will depend partly upon the MTW activity and partly upon the requirements for that MTW activity listed in the MTW Operations Notice. The six types of questions are:

- (1) Core—questions applicable to most MTW activities
- (2) Custom—questions specific to an individual MTW activity
- (3) Safe Harbor Waiver—questions asked when the MTW activity requires a Safe Harbor Waiver
- (4) Hardship Policy—questions asked when the MTW Operations Notice requires a hardship policy for the MTW activity
- (5) Impact Analysis—questions asked when the MTW Operations Notice requires an impact analysis for the MTW activity
- (6) Agency-Specific Waiver—questions asked when the MTW activity requires an Agency-Specific Waiver

### **Questions**

The questions are presented below by type, beginning with the core questions. In the final online version of the MTW Supplement, the relevant questions from each type will be asked together in relation to each MTW activity the MTW agency is proposing to implement or is already implementing. The final online version of the MTW Supplement will be set up to allow for different versions of the same MTW activity—for instance, a different minimum rent for the non-elderly/non-disabled than for the

elderly/disabled. The final online version of the MTW Supplement will also be able to autofill items with information from previous years. This feature will reduce respondent burden.

Table 1, at the end of this document, lists the MTW activities and indicates which types of questions need to be asked about each one.

## **MTW SUPPLEMENT TO THE ANNUAL PHA PLAN**

U.S. Department of Housing and Urban Development Office of Public and Indian Housing

OMB. No. 2577-0226

Expires: 03/31/2024

**Purpose.** The Moving to Work (MTW) Supplement to the Annual PHA Plan informs HUD, families served by the PHA, and members of the public, about the MTW Waivers and associated activities that the MTW agency seeks to implement in the coming Fiscal Year and updates the status of MTW activities that have been previously approved. It also provides information about Safe Harbor Waivers, Agency-Specific Waivers, compliance with MTW statutory requirements, and evaluations. The MTW Supplement does not replace the PHA Plan. MTW agencies must continue to submit the applicable PHA Plan. MTW agencies that are not required to submit annual PHA Plans under the Housing and Economic Recovery Act of 2008 (HERA) must submit the MTW Supplement annually, in addition to holding public hearings, obtaining board approval, and consulting with Resident Advisory Boards (RABs) and tenant associations, as applicable, on planned MTW activities.

**Applicability.** Form HUD-50075-MTW is to be completed annually by all MTW agencies brought onto the MTW Demonstration Program pursuant to Section 239 of the Fiscal Year 2016 Appropriations Act, P.L. 114-113 (2016 MTW Expansion Statute) or legacy MTW agencies that chose to follow the requirements of the MTW Operations Notice.

**Definitions.** All terms used in this MTW Supplement are consistent with the definitions stated in the MTW Operations Notice, including:

- (1) **Local, Non-Traditional Activities (LNT)** – Those MTW activities that use MTW funding flexibility outside of the Housing Choice Voucher (HCV) and public housing programs established in Sections 8 and 9 of the U.S. Housing Act of 1937.
- (2) **Safe Harbors** – The additional parameters or requirements, beyond those specified in the MTW activity description itself found in the MTW Operations Notice, following each activity description, that the MTW agency must follow in implementing MTW activities.
- (3) **Substantially the Same Requirement** – A statutory MTW requirement that MTW agencies must continue to assist substantially the same total number of eligible low-income families as would have been served absent the MTW demonstration.

## A. PHA INFORMATION

A.1 PHA Name: Housing Authority of the County of Santa Cruz

PHA Code: CA072

MTW Supplement for PHA Fiscal Year Beginning (MM/DD/YYYY): 07/01/2023

PHA Program Type:  Public Housing (PH) only  
 Housing Choice Voucher (HCV) only  
 Combined

MTW Cohort Number: 4 (Asset Building)

MTW Supplement Submission Type:  
 Annual Submission  
 Amended Annual Submission

## B. NARRATIVE

### B.1 MTW Supplemental Narrative.

The narrative provides the MTW agency with an opportunity to explain to the public, including the families that it serves, its MTW plans for the fiscal year and its short and long-term goals.

The MTW agency should provide a description of how it seeks to further the three MTW statutory objectives during the coming Fiscal Year. Those three MTW statutory objectives are: (1) to reduce cost and achieve greater cost effectiveness in federal expenditures; (2) to give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and (3) to increase housing choices for low-income families.

---

The Housing Authority of the County of Santa Cruz (HACSC) is pleased to submit this Fiscal Year (FY) 2023 Moving to Work (MTW) Supplement component of the Annual PHA Plan. HUD designated HACSC as an MTW Agency in September 2022, through the MTW Asset Building Cohort, to test asset building initiatives to encourage growth of savings accounts and/or aim to build credit for assisted households. HACSC's MTW Plan and Application selected the HUD defined "Opt-Out Savings Account" as the initial MTW asset building activity. HACSC looks forward to working with HUD and the evaluation team to develop and implement asset building activities and to better understand perspectives and experiences of assisted households participating in the "Opt-Out Savings Account" initiative through the program evaluation process. Additionally, HACSC will actively participate in the "Community of Practice" with HUD, the evaluation team, and other MTW agencies in the Asset Building Cohort to further develop and implement best practices related to asset building.

This supplement identifies the MTW waivers and activities that HACSC will implement to achieve the three MTW statutory objectives which are outlined in more detail below in the sections of Economic Mobility, Cost Effectiveness, and Housing Choice.



Economic Mobility: Implementation of the Opt-Out Savings Account initiative will be the focal point of HACSC initial economic mobility efforts. HACSC plans to use the Opt-Out Savings Account program as the baseline for future economic mobility programs. This initiative will assist HACSC to build and expand upon a network of partnerships with service providers, financial service institutions, and other community-based organizations to promote economic mobility. Other activities to support economic mobility include administrative changes to the Housing Choice Voucher program such as alternative income inclusions / exclusions, alternative reexamination schedule, and extension of zero HAP participation from 180 to 365 days. HACSC anticipates these initiatives will reduce or eliminate regressive aspects of the program and will encourage assisted households to seek employment opportunities, increased wages, and build assets.

Cost Effectiveness: HACSC will leverage MTW authority to implement a range of waivers to achieve administrative efficiencies and cost effectiveness. These waivers will enable HACSC to provide more meaningful service to enhance customer service, and to reduce administrative burden for participants and property owners. Program participants will benefit from alternative income inclusions / exclusions, alternative reexamination schedule, and self-certification of assets. HACSC experience and expertise to conduct certain HQS functions and PBV processes in which third-party assistance is required will eliminate administrative time spent coordinating contractors, and support tenants to secure housing.

Housing Choice: HACSC's approach to improving housing choice includes providing housing stability to program participants that are already housed through waivers such as alternative income inclusions / exclusions, alternative reexamination schedule, and Moving On policies to align tenant rent and utility payments between partner agencies. The strategy to promote housing choice and to increase the supply of affordable housing will be achieved by increasing the PBV program cap and PBV project cap. The ability to expand the PBV program will provide new housing opportunities to program participants and will support the development of new units within our community.

HACSC is excited to have the opportunity to participate in the Asset Building Cohort and to implement MTW waivers that will achieve HUD's statutory objectives. These activities align with the agency mission and our long-term vision for MTW.

### C. MTW Waivers and Associated Activities

**NOTE: MTW agencies are reminded that all MTW Waivers and associated activities must be implemented in accordance with the MTW Operations Notice and within its safe harbors unless a Safe Harbor or Agency-Specific Waiver approval is provided by HUD, in which case, the activity utilizing the Safe Harbor or Agency-Specific Waiver must be implemented in accordance with the terms of the approval.**

#### **Screener:**

For all MTW Waivers and Activities in Section C, the screening question listed below will be presented in the fillable form. This will allow the form to only display those waivers that input where is required.

Each waiver and activity will be listed with the following choices. If “Not Currently Implemented” is selected, the agency will not be shown any further questions for the activity.

- Currently Implementing
- Plan to Implement in the Submission Year
- Will be Discontinued in the Submission Year
- Was Discontinued in a previous Submission Year
- Not Currently Implemented

#### **Core Questions:**

The following core questions apply to all of the MTW Waivers and associated activities listed in the MTW Operations Notice. The core questions collect basic information about any MTW activity proposed or implemented by MTW agencies.

- Narrative. Describe the MTW activity, the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.
- MTW Statutory Objectives. Which of the MTW statutory objectives does this MTW activity serve?
- Cost implications. What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.
- Different policy by household status/family types/sites? Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?
- Household Status. Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?
- Family Types. Does the MTW activity apply to all family types or only to selected family types?
- Location. Depending on if responses are being provided for a public housing (PH) or HCV activity, the agency will either see questions applicable to PH or HCV.
- Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?
- Does this MTW activity require a hardship policy?
- Does the MTW activity require an impact analysis?

As this is the first year of MTW for HACSC, questions pertaining to last year’s performance of the activity will be answered with “0”, “N/A” or “none.”

**Custom Questions:**

Custom questions are tailored to each MTW activity. In what follows, the MTW activities are listed with their custom questions. The final online version of the MTW Supplement will be set up so that if an MTW activity is the same in the HCV and/or public housing programs, the MTW agency fills in the information for public housing, then the information is auto populated for the HCV program. MTW agencies are asked to fill in answers only to questions that are relevant to the MTW activities they propose to implement or are already implementing.

As this is the first year of MTW for HACSC, questions pertaining to last year’s performance of the activity will be answered with “0”, “N/A” or “none.”

<b>1. Tenant Rent Policies</b>	
b. Tiered Rent (HCV)	Not Currently Implemented
d. Stepped Rent (HCV)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Not Currently Implemented
j. Alternative Utility Allowance (HCV)	Not Currently Implemented
l. Fixed Subsidy (HCV)	Not Currently Implemented
n. Utility Reimbursements (HCV)	Not Currently Implemented
o. Initial Rent Burden (HCV)	Not Currently Implemented
q. Impute Income (HCV)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
u. Elimination of Deductions (HCV)	Not Currently Implemented
<b>w. Alternative Income Inclusions/Exclusions (HCV)</b>	<b>Plan to Implement in the Submission Year</b>

<b>2. Payment Standards and Rent Reasonableness</b>	
a. Payment Standards – Small Area Fair Market Rents (FMR) (HCV)	Not Currently Implemented
b. Payment Standards – Fair Market Rents (HCV)	<b>Plan to Implement in the Submission Year</b>
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
<b>d. Rent Reasonableness – Third Party Requirement</b>	<b>Plan to Implement in the Submission Year</b>

<b>3. Reexaminations</b>	
b. Alternative Reexamination Schedule for Households (HCV)	<b>Plan to Implement in the Submission Year</b>
d. Self-certification of Assets (HCV)	<b>Plan to Implement in the Submission Year</b>

<b>4. Landlord Leasing Incentives</b>	
a. Vacancy Loss (HCV-Tenant-Based Assistance)	Not Currently Implemented
b. Damage Claims (HCV-Tenant-Based Assistance)	Not Currently Implemented
c. Other Landlord Incentives (HCV-Tenant-Based Assistance)	Not Currently Implemented

<b>5. Housing Quality Standards (HQS)</b>	
a. Pre-Qualifying Unit Inspections (HCV)	Not Currently Implemented
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
<b>c. Third-Party Requirement (HCV)</b>	<b>Plan to Implement in the Submission Year</b>
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented

<b>6. Short-Term Assistance</b>	
b. Short-Term Assistance (HCV)	Not Currently Implemented

<b>7. Term-Limited Assistance</b>	
b. Term-Limited Assistance (HCV)	Not Currently Implemented

<b>8. Increase Elderly Age (PH &amp; HCV)</b>	
a. Increase Elderly Age (HCV)	Not Currently Implemented

<b>9. Project-Based Voucher Program Flexibilities</b>	
a. Increase PBV Program Cap (HCV)	<b>Plan to Implement in the Submission Year</b>
b. Increase PBV Project Cap (HCV)	<b>Plan to Implement in the Submission Year</b>
c. Elimination of PBV Selection Process for PHA-Owned Projects without Improvement, Development, or Replacement (HCV)	<b>Plan to Implement in the Submission Year</b>
d. Alternative PBV Selection Process (HCV)	Not Currently Implemented
e. Alternative PBV Unit Types (Shared Housing and Manufactured Housing) (HCV)	Not Currently Implemented
f. Increase PBV HAP Contract Length (HCV)	Not Currently Implemented
g. Increase PBV Rent to Owner (HCV)	Not Currently Implemented
h. Limit Portability for PBV Units (HCV)	<b>Plan to Implement in the Submission Year</b>

<b>10. Family Self-Sufficiency Program with MTW Flexibility</b>	
a. HCV Waive Operating a Required FSS Program (HCV)	Not Currently Implemented
b. HCV Alternative Structure for Establishing Program Coordinating Committee (HCV)	Not Currently Implemented

<b>10. Family Self-Sufficiency Program with MTW Flexibility</b>	
c. HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
d. HCV Modify or Eliminate the Contract of Participation (HCV)	Not Currently Implemented
e. HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented

<b>11. MTW Self-Sufficiency Program</b>	
a. HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
b. HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented

<b>12. Work Requirement</b>	
b. Work Requirement (HCV)	Not Currently Implemented

<b>13. Use of Public Housing as an Incentive for Economic Progress (PH)</b>	Not applicable
---	----------------

<b>14. Moving On Policy</b>	
a. Waive Initial HQS Inspection Requirement (HCV)	<b>Plan to Implement in the Submission Year</b>
b. HCV Allow Income Calculations from Partner Agencies (HCV)	<b>Plan to Implement in the Submission Year</b>
c. HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)	<b>Plan to Implement in the Submission Year</b>

<b>15. Acquisition without Prior HUD Approval (PH)</b>	Not applicable
--	----------------

<b>16. Deconcentration of Poverty in Public Housing Policy (PH)</b>	Not applicable
---	----------------

<b>17. Local, Non-Traditional Activities</b>	
a. Rental Subsidy Program	Not Currently Implemented
b. Service Provision	Not Currently Implemented
c. Housing Development Programs	Not Currently Implemented

**Core and Custom Question Answers for Activities Plan to Implement in Submission Year:**

<p><b>1.w. Tenant Rent Policies – Alternative Income Exclusions (HCV)</b></p> <p>Exclude income from asset-building activities. This change benefits clients, increasing self-sufficiency and housing choice as well as saving tenant time. Additionally, it reduces staff time. Decreased staff paperwork increases operational efficiency and cost-effectiveness.</p>
<p><b>Custom Question: What inclusions or exclusions will be eliminated, modified, or added?</b></p> <p>1. Income attributable to the asset-building activities our PHA implements as part of the MtW Asset Building Cohort will be excluded.</p>
<p><b>This MTW activity serves the following statutory objectives:</b></p> <p><input checked="" type="checkbox"/>Cost effectiveness</p> <p><input checked="" type="checkbox"/>Self-sufficiency</p> <p><input checked="" type="checkbox"/>Housing Choice</p>
<p><b>This MTW activity has the following cost implications:</b></p> <p><input checked="" type="checkbox"/>Increased expenditures</p>
<p><b>A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:</b></p> <p><input checked="" type="checkbox"/>to all assisted households</p>
<p>This MTW activity requires a Safe Harbor Waiver to include elderly or disabled.</p>
<p>This MTW activity does not require a hardship policy.</p>
<p>This MTW activity does not require an impact analysis.</p>

<b>2.b. Payment Standards – Fair Market Rents</b>
The HACSC shall implement a payment standard between 80%-120% of Fair Market Rents.
<b>Custom Question: Please explain the payment standards by FMR.</b> Currently, PHAs are required to establish payment standards between 90% - 120% Fair Market Rents. The proposed waiver would provide HACSC with greater flexibility to establish payment standards that reflect market rates, resulting in greater housing choice for program families.
<b>This MTW activity serves the following statutory objectives:</b> <input type="checkbox"/> Cost effectiveness <input type="checkbox"/> Self-sufficiency <input checked="" type="checkbox"/> Housing Choice
<b>This MTW activity has the following cost implications:</b> <input type="checkbox"/> Cost Neutral
<b>A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:</b> <input checked="" type="checkbox"/> to all assisted households
This MTW activity does not require a Safe Harbor Waiver.
This MTW activity does require a hardship policy.
This MTW activity does require an impact analysis.

**2.d. Payment Standards and Rent Reasonableness. Third Party Requirement (HCV)**

HACSC will no longer require a third party to conduct rent reasonableness tests at properties that HACSC owns, manages, or controls. HACSC will follow the rent reasonableness process used for all other HCV properties and conduct the test using a database consisting of comparable units or properties. Requiring approval from a third party increases costs and creates potential delays in the availability of needed housing units. Conducting these rent reasonableness tests in-house will achieve greater cost-effectiveness in federal expenditures, improve administrative efficiencies, eliminate confusion for staff and participants, and improve the response time for conducting rent reasonableness analyses.

**Custom Question: Please explain or upload a description of the quality assurance method.**

The HACSC shall develop and implement procedures for the conduct of regularly scheduled quality control of PHA-owned rent reasonableness assessments, including establishing the sampling size and frequency within the procedures and designating quality control roles and responsibilities.

**Custom Question: Describe Rent Reasonableness Determination Method:**

Reasonable rent is currently determined using information produced by Affordable Housing.com, a national rent reasonableness system, via the AffordableHousing.Com database. The AffordableHousing.com database meets HUD regulatory requirements for rent comparisons based on comparable unassisted units, including information about each unit's location, size, type, age, quality/condition, utilities and amenities. HACSC may institute a change to which database is used for Rent Reasonableness determinations but will always utilize a national rent reasonableness system that meets HUD regulatory requirements.

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Housing Choice

This MTW activity has the following cost implications:

- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is: **Applies only to units owned or controlled by the PHA.**

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis



<p><b>3.b. Reexaminations. Alternative Reexamination Schedule for Households (HCV)</b></p>
<p>Reducing the frequency of household certifications allows participants to keep more of their income as their income increases. It also reduces the burden on both participants and Housing Specialists in acquiring, submitting, and processing paperwork. This change gives tenants a longer time with stable rent to allow for better financial planning and housing security. Tenants will have a greater ability to save for and accomplish life goals such as pursuing education and rent independence or home ownership.</p>
<p>What is the recertification schedule?</p> <p><input checked="" type="checkbox"/> Other [If checked]: At least every three years for fixed-income families and at least every two years for all remaining families.</p>
<p>How many interim recertifications per year may a household request?</p> <p><input checked="" type="checkbox"/> 2 or more</p>
<p><b>Narrative: Please describe briefly how the MTW agency plans to address changes in family/household circumstances under the alternative reexamination schedule.</b></p> <p>The HACSC will conduct reexaminations for fixed-income families at least every three years and will conduct reexaminations for all remaining (non-fixed-income families) at least every two years.</p> <p>In between reexaminations, the HACSC will conduct interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events will be described in the HCV Administrative Plan, and will include decreases in income, increases in income (when requested by the household) changes in household composition, and changes to the contract rent. When interim adjustments are conducted, HACSC may apply payment standards and utility allowances in effect at the time of the effective date of the adjustment.</p> <p>HACSC will reserve the right to conduct reexaminations more frequently either for administrative or financial reasons.</p>
<p>This MTW activity serves the following statutory objectives:</p> <p><input checked="" type="checkbox"/> Cost effectiveness</p> <p><input checked="" type="checkbox"/> Self-sufficiency</p>
<p>This MTW activity has the following cost implications:</p> <p><input checked="" type="checkbox"/> Increased expenditures</p> <p><input type="checkbox"/> Decreased expenditures</p> <p><input checked="" type="checkbox"/> Cost effectiveness</p>
<p>A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:</p> <p><input checked="" type="checkbox"/> to all assisted households</p>
<p>There is no Safe Harbor Waiver requested for this activity.</p>
<p>This MTW activity does require a hardship policy.</p>
<p>This MTW activity does require an impact analysis.</p>

<b>3.d. Reexaminations. Self-Certification of Assets (HCV)</b>
At reexamination, the agency will allow the self-certification of assets up to \$50,000. Reduced documentation requirements will reduce staff time for processing, thereby increasing operational efficiency and cost effectiveness. Reducing documentation saves time for staff and the majority of tenants whose assets are below a level that makes a difference in qualifying for support.
<b>Custom Question: Please state the dollar threshold for the self-certification of assets.</b> <b>Threshold:</b> \$50,000
This MTW activity serves the following statutory objectives: <input checked="" type="checkbox"/> Cost effectiveness
This MTW activity has the following cost implications: <input checked="" type="checkbox"/> Decreased expenditures
A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies: <input checked="" type="checkbox"/> to all assisted households
This MTW activity does not require a Safe Harbor Waiver.
This MTW activity does not require a hardship policy.
This MTW activity does not require an impact analysis.

**5c. Housing Quality Standards. Third Party Requirement (HCV)**

HACSC shall eliminate the requirement for third -party inspections of PHA-owned units, which will save staff time, increase operational efficiency, and increase cost effectiveness. Additionally, it may increase housing choice for tenants through a faster inspection process. With third-party inspections, delays are beyond HACSC’s control. HACSC has certified HQS Inspectors on staff and is plans to utilize them for PHA-owned unit inspections. This will increase efficiency and reduce staff time. This change will allow HACSC to operate more efficiently and strategically to serve its mission and focus on innovative programs and services to serve tenants.

**Custom Question: Please explain or upload a description of the quality assurance method.**

The HACSC shall develop and implement procedures for the conduct of regularly scheduled quality control of PHA-owned unit inspections, including establishing the sampling size and frequency within the procedures and designating quality control inspector roles and responsibilities.

**MtW Statutory Objectives.** This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Housing Choice

**Cost Implications.** This MTW activity has the following cost implications:

- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is: **Applies only to units owned or controlled by the PHA.**

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

**9.a. Project-Based Voucher Program Flexibilities (PBV). Increase PBV Program Cap (HCV)**

The HACSC proposes to use up to 50 percent of its vouchers to attach the funding to specific affordable units through the Project Based Voucher program. The Project-Based Voucher (PBV) program allows a Housing Authority to use up to 20 percent of its vouchers to attach the funding to specific affordable units. PHAs may project base an additional 10% of vouchers that are excepted from this cap, for units designated for homeless, veterans, supportive services, or in a low poverty census tract.

**Benefits to Development:** Project basing gives developers a guarantee of a future source of stable income for a development, which can be integral to the financing package that makes constructing or rehabilitating affordable housing possible. In markets facing a housing shortage, this is one of the only tools housing authorities have to spur the construction of new, quality, affordable units. Many families with tenant-based vouchers struggle to find a unit in the private rental market due to an extreme scarcity of rental housing and property owner reluctance to participate in the voucher program. Scarcity of rental units leads to tenant-based vouchers often expiring before a household can secure a unit, and results in loss of voucher assistance. Committing vouchers to affordable properties through the PBV program ensures those units will be available exclusively to voucher households. Since the PBV program promotes construction of affordable housing in high opportunity low poverty neighborhoods, increasing the PBV cap allows more low-income households, often including children, to benefit from good neighborhoods that are likely to have better schools, parks, healthcare, jobs, transportation, and other assets that improve outcomes for low-income families. Families are not required to stay in PBV units and may move into any unit of their choosing in the private market using a tenant-based voucher at the end of their initial lease term, freeing up the PBV unit for the next eligible household waiting for assistance.

What percentage of total authorized HCV units will be authorized for project-basing? 50%

**MtW Statutory Objectives.** This MTW activity serves the following statutory objectives:

Housing Choice

**Cost Implications.** This MTW activity has the following cost implications:

Neutral

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

<b>9.b. Project-Based Voucher Program Flexibilities (PBV). Increase PBV Project Cap (HCV)</b>
Allows more than the greater of twenty-five units or 25% of the units at a complex to receive Project-Based Voucher assistance. Under current regulations, “excepted” units that are for the elderly or those providing supportive services are already exempt from this cap. This activity would allow units that may not be serving the excepted populations to go above the cap up to 100% of the units at a project. This will increase housing choice and contribute to the development of additional affordable housing production available to households eligible for the Section 8 Program.
This MTW activity serves the following statutory objectives: <input checked="" type="checkbox"/> Housing Choice
This MTW activity has the following cost implications: <input checked="" type="checkbox"/> Neutral
A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies: <input checked="" type="checkbox"/> to all assisted households
This MTW activity does not require a Safe Harbor Waiver.
This MTW activity does not require a hardship policy.
This MTW activity does not require an impact analysis.

<b>9.c Project-Based Voucher Program Flexibilities (PBV). Elimination of PBV Selection Process for PHA-owned Projects without Improvement, Development, or Replacement</b>
The HACSC will eliminate the independent third-party selection process in the award of PBV's to properties owned or controlled by the agency. All other PBV selection and approval requirements, including NEPA review and subsidy layering review are still applicable and must be conducted.
This MTW activity serves the following statutory objectives: <input checked="" type="checkbox"/> Cost effectiveness
This MTW activity has the following cost implications: <input checked="" type="checkbox"/> Decreased expenditures
A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies: <input checked="" type="checkbox"/> to all assisted households
A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to: <input checked="" type="checkbox"/> New admissions and currently assisted households
A MTW activity can apply to all family types or only selected family types. This MTW activity applies to: <input checked="" type="checkbox"/> all family types
An MTW activity can apply to a tenant-based and or project-based voucher. <input checked="" type="checkbox"/> The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers: <b>Applies only to units owned or controlled by the PHA.</b>
This MTW activity does not require a Safe Harbor Waiver.
This MTW activity does not require a hardship policy.
This MTW activity does not require an impact analysis.

**9.h Project-Based Voucher Program Flexibilities (PBV). Limit Portability for PBV Units (HCV)**

HACSC will limit moves from PBV units using a Housing Choice Voucher for 24 months after PBV move-in for applicants coming from site-based waiting lists or from non waiting list referral programs. PBV Residents coming from the HCV waiting list will continue to have portability with a Housing Choice Voucher after 12 months. This change ensures that households electing to move into a PBV unit cannot convert to an HCV after only one year, effectively bypassing the HCV waitlist. Additionally, it decreases the administrative burden for staff after initial intake. Participants retain the right to request a tenant-based voucher before 24 months if needed as reasonable accommodation related to a disability or for other special circumstances.

This MTW activity serves the following statutory objectives:

Cost effectiveness

This MTW activity has the following cost implications:

Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

to all assisted households

A MTW activity can apply only to new unit admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to:

New admissions and currently assisted households

A MTW activity can apply to all family types or only selected family types. This MTW activity applies to:

all family types

<b>14.a. Moving on Policy – Waive Initial HQS Inspection Requirement (HCV)</b>
HACSC may, at their discretion, waive the initial HQS inspection requirement for PSH residents transitioning into voucher-based assistance who are remaining in their unit. Waiving the initial HQS inspection will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance seamlessly without the disruption of inspection. Participants retain the right to request inspection at any time.
This MTW activity serves the following statutory objectives: <input checked="" type="checkbox"/> Cost effectiveness <input checked="" type="checkbox"/> Housing Choice
This MTW activity has the following cost implications: <input checked="" type="checkbox"/> Decreased expenditures
A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies: <input checked="" type="checkbox"/> only to a subset or subsets of assisted households <b>Only residents of Permanent Supportive Housing Programs transitioning to a voucher.</b>
A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to: <input checked="" type="checkbox"/> Currently assisted households only
A MTW activity can apply to all family types or only selected family types. This MTW activity applies to: <input checked="" type="checkbox"/> Other – another specifically defined target population or populations. The description of this population is: <b>Only residents of Permanent Supportive Housing Programs.</b>
An MTW activity can apply to a tenant-based and or project-based voucher. <input checked="" type="checkbox"/> The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is: <b>Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.</b>
This MTW activity does not require a Safe Harbor Waiver.
This MTW activity does not require a hardship policy.
This MTW activity does not require an impact analysis.



<b>14.b. Moving on Policy – Allow Income Calculations from Partner Agencies (HCV)</b>
HACSC may, at their discretion, utilize the income calculations and documentation from partner agencies for PSH households transitioning to voucher based assistance. Utilizing the income calculations and documentation from partner agencies will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance quickly and seamlessly without completing redundant paperwork and procuring verification documents, which can be extremely challenging for vulnerable populations.
This MTW activity serves the following statutory objectives: <input checked="" type="checkbox"/> Cost effectiveness
This MTW activity has the following cost implications: <input checked="" type="checkbox"/> Decreased expenditures
A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies: <input checked="" type="checkbox"/> only to a subset or subsets of assisted households <b>Only residents of Permanent Supportive Housing Programs transitioning to a voucher.</b>
A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to: <input checked="" type="checkbox"/> Currently assisted households only
A MTW activity can apply to all family types or only selected family types. This MTW activity applies to: <input checked="" type="checkbox"/> Other – another specifically defined target population or populations. The description of this population is: <b>Only residents of Permanent Supportive Housing Programs transitioning to a voucher.</b>
An MTW activity can apply to a tenant-based and or project-based voucher. <input checked="" type="checkbox"/> The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is: <b>Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.</b>
This MTW activity does not require a Safe Harbor Waiver.
This MTW activity does not require a hardship policy.
This MTW activity does not require an impact analysis.

<b>14.c Moving on Policy – Aligning Tenant Rents and Utility Payments between Partner Agencies</b>
HACSC may, at their discretion, adjust the subsidy for PSH residents transitioning into voucher-based assistance to align the tenant’s portion of rent with the PSH program they are transitioning from. If a PSH tenant is transitioning from a program with a different subsidy structure, the transition could result in a significant increase in the tenant’s contribution of rent, potentially resulting in displacement from their current unit. Having the flexibility to align the voucher subsidy with the subsidy from the PSH program will avoid increases in tenant rent burden and the potential for displacement.
This MTW activity serves the following statutory objectives: <input checked="" type="checkbox"/> Housing Choice
This MTW activity has the following cost implications: <input checked="" type="checkbox"/> Increased expenditures
A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies: <input checked="" type="checkbox"/> only to a subset or subsets of assisted households: <b>Only residents of Permanent Supportive Housing Programs transitioning to a voucher.</b>
A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to: <input checked="" type="checkbox"/> Currently assisted households only
A MTW activity can apply to all family types or only selected family types. This MTW activity applies to: <input checked="" type="checkbox"/> Other – another specifically defined target population or populations. The description of this population is: <b>Only residents of Permanent Supportive Housing Programs transitioning to a voucher.</b>
An MTW activity can apply to a tenant-based and or project-based voucher. <input checked="" type="checkbox"/> The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is: <b>Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.</b>
This MTW activity does not require a Safe Harbor Waiver.
This MTW activity does not require a hardship policy.
This MTW activity does not require an impact analysis.

## D. SAFE HARBOR WAIVERS

### D.1. Safe Harbor Waivers seeking HUD Approval:

The MTW Operations Notice describes a simplified process for MTW agencies to implement MTW activities outside of the safe harbors described in Appendix I. For each Safe Harbor Waiver request, a document that includes the following information must be provided: (a) the name and number of the MTW Waiver and associated activity for which the MTW agency is seeking to expand the safe harbor, (b) the specific safe harbor and its implementing regulation, (c) the proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver, (d) a description of the local issue and why such an expansion is needed to implement the MTW activity, (e) an impact analysis, (f) a description of the hardship policy for the MTW activity, if applicable, and (g) a copy of all comments received at the public hearing along with the MTW agency’s description of how the comments were considered, as a required attachment to the MTW Supplement.

Will the MTW agency submit request for approval of a Safe Harbor Waiver this year? **The HACSC will submit one request for approval of a Safe Harbor Waiver.**

No  Yes

<b>1.w.</b>
<b>1.w. Tenant Rent Policies – Alternative Income Exclusions (HCV)</b>
<b>The specific safe harbor and its implementing regulation:</b>
The safe harbor for the Alternative Income Exclusion (HCV) waiver states that an agency must exempt elderly and disabled individuals from this rent determination policy. The relevant implementing regulation is the definition for Annual Income located at 24CFR5.609.
<b>The proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver:</b>
The HACSC intends to apply this waiver to all households instead of excluding elderly and disabled households, which is outside of Safe Harbor.
<b>A description of the local issue and why such an expansion is needed to implement the MTW activity:</b>
The waiver being requested would allow the HACSC to exclude income from MTW asset building activities for the purpose of determining adjusted annual income used for calculating rental subsidy. This waiver <i>benefits</i> households by reducing their contribution to rent through the exclusion of certain income. The HACSC does not wish to prevent any eligible elderly and disabled households who may receive asset-building and/or guaranteed income from the benefit of having those incomes excluded.
An impact analysis is required for this activity. The proposed waiver will benefit households. No household will be adversely impacted by the proposed waiver.
<b>A description of the hardship policy for the MTW activity, if applicable:</b> No hardship policy is needed for this MTW activity, as the waiver being requested benefits households by reducing their contribution to rent through the exclusion of certain income.
A copy of all comments received at the public hearing along with the MTW agency’s description of how the comments were considered.

## E. Agency Specific Waivers

### E.1. Agency-Specific Waivers for HUD Approval:

The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, flexibilities beyond those provided for in Appendix I may be needed. Agency-Specific Waivers may be requested if an MTW agency wishes to implement additional activities, or waive a statutory and/or regulatory requirement not included in Appendix I.

In order to pursue an Agency-Specific Waiver, an MTW agency must include an Agency-Specific Waiver request, an impact analysis, and a hardship policy (as applicable), and respond to all of the mandatory core questions as applicable.

For each Agency-Specific Waiver(s) request, please upload supporting documentation, that includes: a) a full description of the activity, including what the agency is proposing to waive (i.e., statute, regulation, and/or Operations Notice), b) how the initiative achieves one or more of the 3 MTW statutory objectives, c) a description of which population groups and household types that will be impacted by this activity, d) any cost implications associated with the activity, e) an implementation timeline for the initiative, f) an impact analysis, g) a description of the hardship policy for the initiative, and h) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement.

Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year?

No [If no, skip to E.2]                       Yes [If yes, please provide a title and upload required information in a-h above for each Agency-Specific Waiver request]

The Housing Authority of the County of Santa Cruz is requesting the following two (2) Agency-Specific Waivers:

- 1. 24 CFR 982.455 Automatic termination of HAP contract. Extend zero HAP participation from 180 days to 365 days.**
- 2. 24 CFR 982.516 and 982 Subpart E, and 983 as necessary to implement use of tenant income certification (TIC) for PBV eligibility determination at initial lease-up.**

<b>1. 24 CFR 982.455 Automatic termination of HAP contract. Extend zero HAP participation from 180 days to 365 days.</b>
<b>Waive: 24 CFR 982.455 Automatic termination of HAP contract.</b> The HAP contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.
This activity waives certain provisions of 24 CFR 982.455(a) and extends the length of time a household may stay on the HCV program after the last housing assistance payment (HAP) was made to the owner to 365 days. This activity will impact all household types in the HCV program. This extension of time gives incentives to families with children, and to all participants, to become economically self-sufficient without losing their housing assistance after only 180 days without a HAP payment. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.
This MTW activity serves the following statutory objectives: <input checked="" type="checkbox"/> Cost effectiveness <input checked="" type="checkbox"/> Self-sufficiency
<b>This initiative achieves one or more of the 3 MTW above statutory objectives by:</b> This activity promotes the MTW statutory goals of self-sufficiency and cost effectiveness. The extension of time gives incentives to families with children, and to all participants, to become economically self-sufficient without losing their housing assistance after only 180 days without a HAP payment. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.
<b>A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:</b> <input checked="" type="checkbox"/> to all assisted households
A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to: <input checked="" type="checkbox"/> Currently assisted households only
A MTW activity can apply to all family types or only selected family types. This MTW activity applies to: <input checked="" type="checkbox"/> all family types
An MTW activity can apply to a tenant-based and or project-based voucher. <input checked="" type="checkbox"/> The MTW activity applies to all properties with project-based vouchers.
<b>This MTW activity has the following cost implications:</b> <input checked="" type="checkbox"/> Neutral
<b>The implementation timeline for the initiative is:</b> Upon approval of MTW Supplement, approval of revised Administrative Plan and training of staff.
This MTW activity does require an impact analysis.
Hardship: No households will be adversely affected by this MTW activity. The proposed activity allows families whose incomes have increased to the point that their rent is affordable without subsidy, and who are no longer receiving any rental subsidy, to have additional time before the automatic termination of their contract.
Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered will be inserted after public hearing.

<p><b>2. 24 CFR 982.516 and 982 Subpart E and 983 - Allow use of Tenant Income Certification (TIC) for PBV eligibility determination.</b></p>
<p><b>Waive:</b> certain provisions of 24 CFR 982.516 and 982 Subpart E, and 983 as necessary to implement For PBV units that also use LIHTC, HACSC proposes to use the TIC form required under the LIHTC Program as verification of the income and assets.</p> <p>Owners of PBV units that receive tax credits must comply with Federal LIHTC regulations which are similar to HCV regulations regarding verification of income and assets when determining and recertifying income eligibility of residents. Therefore, at initial eligibility and reexamination for each tenant residing in PBV units that also has LIHTC, the owner and HACSC are duplicating efforts in the verification process. This causes unnecessary delays in processing new tenants and creates redundant demands on clients to submit the same documentation to both the owner and HACSC.</p> <p>The TIC form used by the LIHTC Program requires the client’s statement of income and assets, the client’s signature, and the property owner’s certification that they verified the data provided by the client and is therefore reliable documentation of the client’s income/asset profile.</p>
<p>This MTW activity serves the following statutory objectives:</p> <p><input checked="" type="checkbox"/> Cost effectiveness</p>
<p>This activity corresponds with the HUD goal of increasing cost effectiveness by simplifying the calculation process.</p>
<p>A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:</p> <p><input checked="" type="checkbox"/> only to a subset or subsets of assisted households: <b>PBV Only</b></p>
<p><b>If previous questions is subset.</b></p> <p>A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to:</p> <p><input checked="" type="checkbox"/> New admissions (i.e., applicants) only - <b>PBV Only</b></p>
<p><b>If above questions is subset.</b></p> <p>A MTW activity can apply to all family types or only selected family types. This MTW activity applies to:</p> <p><input checked="" type="checkbox"/> only to selected family types</p> <p>Please select the family types subject to this MTW activity:</p> <p><input checked="" type="checkbox"/> Other – another specifically defined target population or populations. The description of this population is: <b>PBV only.</b></p>
<p><b>If above questions is subset.</b></p> <p>An MTW activity can apply to a tenant-based and or project-based voucher.</p> <p><input checked="" type="checkbox"/> The MTW activity applies to all properties with project-based vouchers.</p>
<p>This MTW activity has the following cost implications:</p> <p><input checked="" type="checkbox"/> Decreased expenditures</p>
<p><b>The implementation timeline for the initiative is:</b></p> <p>Upon approval of MTW Supplement, Agency and Administrative Plan, and training of staff.</p>
<p>This MTW activity does require an impact analysis.</p>

Hardship Policy: No households will be adversely affected by this MTW activity. The proposed activity will benefit tenants of LIHTC units to streamline the eligibility determine and reexamination process and will eliminate redundant demands on tenants to submit the same paperwork to both the owner and HACSC.

Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered will be inserted after public hearing.

**E.2. Agency-Specific Waiver(s) for which HUD Approval has been Received:**

For each previously approved Agency-Specific Waiver(s), a set of questions will populate.

Does the MTW agency have any approved Agency-Specific Waivers?

Yes  No [If no, question set concludes]

**F. PUBLIC HOUSING OPERATING SUBSIDY GRANT REPORTING**

Not applicable as the Housing Authority of the County of Santa Cruz does not have Public Housing.

**G. MTW STATUTORY REQUIREMENTS**

**G.1. 75% Very Low Income – Local, Non-Traditional.**

Not applicable as the Housing Authority of the County of Santa Cruz does not have a local, non-traditional MTW activity.

**G.2. Establishing Reasonable Rent Policy.**

Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency?

Yes  No

[If Yes]: please describe the MTW agency’s plans for its future rent reform activity and the implementation timeline.

The HACSC is implementing an alternative reexamination schedule which encourages full employment and self-sufficiency by allowing families to retain income increases between biennial or triennial reexaminations. This will be implemented once the MtW Supplement, Agency and Administrative Plans are approved, and staff is trained.

**G.3. Substantially the Same (STS) – Local, Non-Traditional**

Not applicable as the Housing Authority of the County of Santa Cruz does not have a local, non-traditional MTW activity.

**G.4. Comparable Mix (by Family Size) – Local, Non-Traditional**

Not applicable as the Housing Authority of the County of Santa Cruz does not have a local, non-traditional MTW activity.

**G.5. Housing Quality Standards**

Certification is included in MTW Certifications of Compliance for HCV and local, non-traditional program.



## **H. PUBLIC COMMENTS**

H.1.

Please provide copy of all comments received by the public, Resident Advisory Board, and tenant associations.

*Response pending.*

Please attach a narrative describing the MTW agency's analysis of the comments and any decisions made based on these comments.

*Response pending.*

If applicable, was an additional public hearing held for an Agency-Specific Waiver and/or Safe Harbor waiver?  Yes  No

If yes, please attach the comments received along with the MTW agency's description of how comments were considered.

*Response pending.*

## **I. EVALUATIONS**

I.1. Please list any ongoing and completed evaluations of the MTW agency's MTW policies, that the PHA is aware of, including the information requested in the table below.

Does the PHA have an agency-sponsored evaluation?  Yes  No

## **J. MTW CERTIFICATION OF COMPLIANCE**

The MTW agency must execute the MTW Certifications of Compliance form and submit as part of the MTW Supplement submission to HUD.

Please see form HUD-50075-MTW for the certification form that will be executed prior to MTW Supplement submission.

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

<b>Waiver Number: 2.b.</b>
<b>Waiver Description: Payment Standards – Fair Market Rents</b>
<b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>
HACSC proposes to waive the requirement to establish Payment Standards between 90% - 110% of FMRs. Instead, HACSC proposes to establish Payment Standards between 80% - 120% of FMRs in order to provide the agency with more flexibility to establish Payment Standards that better reflect actual market rents.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>
<input type="checkbox"/> Cost effectiveness. <input type="checkbox"/> Self-sufficiency. <input checked="" type="checkbox"/> Housing Choice
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>
The proposed waiver applies to all assisted households.
<b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b>
The proposed waiver applies to both new admissions and currently assisted households.
<b>Does the MTW activity apply to all family types or only to selected family types?</b>
The proposed waiver applies to all family types.
<b>Please select the family types subject to this MTW activity.</b>
The proposed waiver applies to all family types.
<b>Impact on the agency’s finances (e.g., how much will the activity cost, and any change in the agency’s per family contributions).</b>
The proposed waiver is cost neutral. The cost of any particular payment standard will be analyzed prior to establishment and implementation.
<b>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</b>
The proposed waiver would allow HACSC to establish Payment Standards that better reflect market rents with the goal of increasing housing choice and reducing rent burden for families.
<b>Impact on the agency’s waitlist(s) (e.g., any change in the amount of time families are on the waitlist);</b>
The proposed waiver will not impact HACSCs waiting list.

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

<p><b>Impact on the agency’s termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);</b></p>
<p>The proposed waiver will not impact HACSCs termination rate.</p>
<p><b>Impact on the agency’s current occupancy level in public housing and utilization rate in the HCV program</b></p>
<p>The proposed waiver could potentially improve the utilization rate of HCV program.</p>
<p><b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b></p>
<p>The proposed waiver will support housing choice by providing the agency with greater flexibility to establish Payment Standards that reflect market rents.</p>
<p><b>Impact on the agency’s ability to meet the MTW statutory requirements;</b></p>
<p>The proposed waiver will not impact HACSCs ability to meet statutory requirements.</p>
<p><b>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</b></p>
<p>HACSC does not anticipate hardship requests related to this waiver.</p>
<p><b>Across the other factors above, the impact on protected classes (and any associated disparate impact).</b></p>
<p>HACSC does not anticipate any impact on protected classes as a result of this waiver.</p>
<p><b>Implementation timeline.</b></p>
<p>HACSC will implement this initiative upon approval of the MtW Supplement, Agency and Administrative Plan, with an anticipated operation period beginning 7/1/2023.</p>
<p><b>Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.</b></p>
<p>Not applicable.</p>

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

<b>Waiver Number:</b> 3.b.
<b>Waiver Description:</b> Alternative Reexamination Schedule for Households (HCV)
<b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>
<p>HACSC proposes to waive 24CFR982.516(a)1, which requires that PHAs conduct reexaminations of family income and composition at least annually. HACSC proposes to conduct reexaminations of fixed income households at least every three years, and to conduct reexaminations of all other (non-fixed income households) at least every two years.</p> <p>Reducing the frequency of household certifications allows participants to keep more of their increases in income for a longer period of time. It also reduces the burden on both participants and Housing Specialists in acquiring, submitting, and processing paperwork. This change gives tenants a longer time with stable rent to allow for better financial planning and housing security. The paperwork burden on voucher holders will lessen if they do not have to submit income and employment changes annually. Tenants will have a greater ability to meet all basic needs as well as saving for the future. Reducing the frequency of reexaminations will also significantly reduce the staff time spent conducting these reexaminations, freeing up staff time to focus on asset building activities and other activities that align with our mission.</p>
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>
<input checked="" type="checkbox"/> Cost effectiveness. <input checked="" type="checkbox"/> Self-sufficiency. <input checked="" type="checkbox"/> Housing Choice
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>
All assisted households.
<b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b>
New admissions and currently assisted households.
<b>Does the MTW activity apply to all family types or only to selected family types?</b>
All family types.
<b>Please select the family types subject to this MTW activity.</b>
All family types.
<b>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</b>

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

The proposed alternate reexamination schedule will impact agency finances. Specifically, the agency will experience cost savings through a reduction in the staff cost of conducting reexaminations and will experience increased costs through anticipated increases in the average subsidy payment (HAP) received by program families whose reexaminations are performed less frequently.

It is estimated that the proposed reexamination schedule will result in approximately 3,000 fewer reexaminations over the course of a year. This represents a 27% decrease in the workload of the Housing Programs Department, representing a potential savings of approximately \$500,000. While this savings is significant, it is likely to be more than offset by increases in average HAP payments to families.

It is much more difficult to estimate the potential increase in subsidy (HAP) associated with the proposed policy. HAP is inversely related to household income, meaning that when incomes go up, HAP goes down, and vice versa. In HACSC's programs, 38% of households have Social Security, SSI, and pensions as their only form of income. These households experience COLA increases every year, including large increases in recent years due to high inflation. For the remaining (non-fixed income) families, the cost of the proposed policy will be directly related to the average increase in household income, and the extent to which those increases are more or less than any increases in payment standard. Staff is currently in the process of evaluating various factors to estimate the potential increase in HAP related to the proposed policy. HACSC will closely monitor increases in HAP and may conduct annual reexaminations more frequently if needed.

**Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)**

The proposed policy will benefit families. Fixed income families will benefit because their portion of rent will not increase due to the modest COLAs they receive in between triennial reexaminations. Non-fixed income families will also benefit, and will retain all of the increased income associated from additional wages for up to two years before their next reexamination is conducted and their portion of rent is redetermined.

**Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist);**

HACSC does not expect any impact to the amount of time families wait on the waiting list.

**Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);**

HACSC does not expect any impact to the agency's termination rate of families.

**Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program**

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

HACSC does not expect any impact to the agency’s utilization rate.
<b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>
The proposed policy will help meet the statutory goal of cost effectiveness by reducing HACSC workload and staffing costs, and will help meet both the self sufficiency and housing choice goals by allowing families to retain more of their income increases between reexaminations, removing disincentives for increasing income, and possibly resulting in families being able to save money, build assets, and resulting in more potential housing choices.
<b>Impact on the agency’s ability to meet the MTW statutory requirements;</b>
The proposed policy will not impact HACSC’s ability to meet statutory requirements.
<b>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</b>
HACSC does not expect any hardship requests as a result of this waiver.
<b>Across the other factors above, the impact on protected classes (and any associated disparate impact).</b>
The proposed policy is not expected to have any negative or disparate impact on any protected classes. The policy will benefit households.
<b>Implementation timeline.</b>
HACSC will implement this initiative upon approval of the MtW Supplement, Agency and Administrative Plan, with an anticipated operation period beginning 7/1/2023.
<b>Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.</b>
The proposed policy will benefit families, postponing increases in their portion rent due to increased income, but continuing to process other eligible changes including household composition changes and decreases in rent due to decreased income. Therefore, HACSC does not expect any hardship requests as a result of this waiver. However, HACSC will conduct additional reexaminations if requested by the family.

## HARDSHIP POLICY

### 3.b. Alternative Reexamination Schedule

#### **Waiver 3.b. Alternative Reexamination Schedule – Narrative Description**

Reducing the frequency of household certifications allows participants to keep more of their income as their income increases. It also reduces the burden on both participants and Housing Specialists in acquiring, submitting, and processing paperwork. This change gives tenants a longer time with stable rent to allow for better financial planning and housing security.

The HACSC will conduct reexaminations for fixed income families at least every three years and will conduct reexaminations for all remaining (non-fixed income families) at least every two years.

In between reexaminations, the HACSC will conduct interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events will be described in the HCV Administrative Plan, and will include decreases in income, increases in income (when requested by the household) changes in household composition, and changes to the contract rent. When interim adjustments are conducted, HACSC may apply payment standards and utility allowances in effect at the time of the effective date of the adjustment.

The HACSC will not conduct interim adjustments for increases in income unless they are associated with a change in household composition or at the request of the assisted family.

#### **HACSC Hardship Policy**

The proposed policy will benefit families, postponing increases in their portion rent due to increased income, but continuing to process other eligible changes including household composition changes and decreases in rent due to decreased income. Therefore, HACSC does not expect any hardship requests as a result of this waiver. However, HACSC will conduct additional reexaminations if requested by the family.

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

<b>Agency-Specific Waiver</b>
<b>Waiver Description: 24 CFR 982.455 Automatic termination of HAP contract. Extend zero HAP participation from 180 days to 365 days.</b>
<b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>
This activity waives certain provisions of 24 CFR 982.455(a) and extends the length of time a household may stay on the HCV program after the last housing assistance payment (HAP) was made to the owner to 365 days. This activity will impact all household types in the HCV program. This extension of time gives incentives to families with children, and to all participants, to become economically self-sufficient without losing their housing assistance after only 180 days without a HAP payment. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>
<input checked="" type="checkbox"/> Cost effectiveness. <input checked="" type="checkbox"/> Self-sufficiency. <input type="checkbox"/> Housing Choice
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>
The waiver applies only to currently assisted households.
<b>Does the MTW activity apply to all family types or only to selected family types?</b>
This waiver applies to all family types
<b>Please select the family types subject to this MTW activity.</b>
All family types.
<b>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</b>
HACSC anticipates that this proposed waiver is cost neutral and will not impact agency costs.
<b>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</b>
HACSC anticipates that this proposed waiver will not affect how much affected families will pay towards housing costs. The proposed waiver is directly specifically to households whose incomes have increased to the point where they are not receiving any subsidy whatsoever. The increase in time before automatic termination of the HAP contracts provides an additional safety net in case the family experiences a decrease in income and needs to resume receiving rental assistance.
<b>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist);</b>
HACSC anticipates that this proposed waiver will not impact the amount of time families wait on the waiting list.



**Housing Authority of the County of Santa Cruz  
Impact Analysis**

<b>Impact on the agency’s termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);</b>
HACSC anticipates that this proposed waiver may prevent some families from being terminated from the program in the case of decreases in income.
<b>Impact on the agency’s current occupancy level in public housing and utilization rate in the HCV program</b>
HACSC anticipates that to the extent this proposed waiver prevents families from being terminated, it would prevent reductions in utilization rate of the HCV program.
<b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>
This proposed waiver will support the MTW statutory goal of self-sufficiency by providing incentives to families with children, and to all participants, to become economically self-sufficient without losing their housing assistance after only 180 days without a HAP payment. The additional time on the HCV program offers the household protection against changes in their income and provides encouragement to the household that they can continue maintaining their current income level after successfully doing so for a full year.
<b>Impact on the agency’s ability to meet the MTW statutory requirements;</b>
HACSC does not anticipate that this waiver would result in any change in the Agency’s ability to meet the MTW statutory requirements.
<b>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</b>
Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.
<b>Across the other factors above, the impact on protected classes (and any associated disparate impact).</b>
HACSC does not anticipate that this waiver would result in any disparate impact to any protected class.
<b>Implementation timeline.</b>
HACSC will implement this initiative upon approval of the MtW Supplement, Agency and Administrative Plan, with an anticipated operation period beginning 7/1/2023.
<b>Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.</b>
Not applicable. Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

<b>Agency-Specific Waiver</b>
<b>Waiver Description: 24 CFR 982. 516 and 982 Subpart E and 983 - Allow use of Tenant Income Certification (TIC) for PBV eligibility determination at Initial Lease-up and Reexamination.</b>
<b>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>
This activity waives certain provisions of 24 CFR 982.516 and 982 Subpart E, and 983 as necessary to determine and recertify income eligibility for residents of LIHTC units receiving PBV assistance. Owners of PBV units that receive LIHTC will provide a copy of the TIC form to determine PBV initial eligibility and reexamination for continued occupancy. This activity will impact all household types in the HCV program that reside in PBV units in which the owner receives LIHTC. This activity will enhance coordination with owners of LIHTC units in the PBV program that will result in reduced time to lease vacant PBV units and will decrease the administrative burden associated to eliminate the need for tenants to submit duplicative verification documents.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>
<input checked="" type="checkbox"/> Cost effectiveness. <input type="checkbox"/> Self-sufficiency. <input type="checkbox"/> Housing Choice
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>
The waiver applies only to new and currently assisted households in PBV units with LIHTC.
<b>Does the MTW activity apply to all family types or only to selected family types?</b>
This waiver applies to all family types
<b>Please select the family types subject to this MTW activity.</b>
All family types.
<b>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</b>
HACSC anticipates that this proposed waiver is cost neutral and will not impact agency costs.
<b>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</b>
HACSC anticipates that this proposed waiver will not affect how much affected families will pay towards housing costs.
<b>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist);</b>
HACSC anticipates that this proposed waiver will not impact the amount of time families wait on the waiting list.
<b>Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);</b>

**Housing Authority of the County of Santa Cruz  
Impact Analysis**

HACSC anticipates that this proposed waiver will not impact the agency’s termination rate of families.
<b>Impact on the agency’s current occupancy level in public housing and utilization rate in the HCV program</b>
HACSC anticipates that this proposed waiver will not impact the agency’s current utilization rate in the HCV program.
<b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>
This proposed waiver will support the MTW statutory goal of cost effectiveness self-by providing enhancing the coordination between PBV owners with LIHTC, prospective tenants and residents of these units, and HACSC. This waiver will provide efficiency to obtain the necessary verification of income and assets needed at initial eligibility and continued occupancy.
<b>Impact on the agency’s ability to meet the MTW statutory requirements;</b>
HACSC does not anticipate that this waiver would result in any change in the Agency’s ability to meet the MTW statutory requirements.
<b>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</b>
Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.
<b>Across the other factors above, the impact on protected classes (and any associated disparate impact).</b>
HACSC does not anticipate that this waiver would result in any disparate impact to any protected class.
<b>Implementation timeline.</b>
HACSC will implement this initiative upon approval of the MtW Supplement, Agency and Administrative Plan, with an anticipated operation period beginning 7/1/2023.
<b>Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.</b>
Not applicable. Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.

**MTW CERTIFICATIONS OF COMPLIANCE****U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
OFFICE OF PUBLIC AND INDIAN HOUSING****Certifications of Compliance with Regulations:  
Board Resolution to Accompany the MTW Supplement to the Annual PHA Plan**

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chairperson or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the MTW Supplement to the Annual PHA Plan for the MTW PHA Fiscal Year beginning (\_\_\_\_\_), hereinafter referred to as "the MTW Supplement", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the MTW Supplement and implementation thereof:

- (1) The PHA made the proposed MTW Supplement and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the MTW Supplement and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board(s) or tenant associations, as applicable) before approval of the MTW Supplement by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the annual MTW Supplement.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the MTW Supplement in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601-19), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) all regulations implementing these authorities; and other applicable Federal, State, and local civil rights laws.
- (5) The MTW Supplement is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The MTW Supplement contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the MTW PHA's jurisdiction and a description of the manner in which the MTW Supplement is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing, which means that it will: (i) take meaningful actions to further the goals identified by the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR 5.150-5.180 and 903.15; (ii) take no action that is materially inconsistent with its obligation to affirmatively further fair housing; and (iii) address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3) and 903.15(d). Note: Until the PHA is required to submit an AFH, and that AFH has been accepted by HUD, the PHA must follow the certification requirements of 24 CFR 903.7(o) in effect prior to August 17, 2015. Under these requirements, the PHA will be considered in compliance with the certification requirements of 24 CFR 903.7(o)(1)-(3) and 903.15(d) if it: (i) examines its programs or proposed programs; (ii) identifies any impediments to fair housing choice within those programs; (iii) addresses those impediments in a reasonable fashion in view of the resources available; (iv) works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and (v) maintains records reflecting these analyses and actions.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 and HUD's implementing regulations at 24 C.F.R. Part 146.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identity, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment.
- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 2 CFR 200.333-200.337 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of housing quality standards as required in PIH Notice 2011-45, or successor notice, for any local, non-traditional program units. The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982, for any Housing Choice Voucher units under administration.
- (22) The MTW PHA will undertake only activities and programs covered by the Moving to Work Operations Notice in a manner consistent with its MTW Supplement and will utilize covered grant funds only for activities that are approvable under the Moving to Work Operations Notice and included in its MTW Supplement. MTW Waivers activities being implemented by the agency must fall within the safe harbors outlined in Appendix I of the Moving to Work Operations Notice and/or HUD approved Agency-Specific or Safe Harbor Waivers.
- (23) All attachments to the MTW Supplement have been and will continue to be available at all times and all locations that the MTW Supplement is available for public inspection. All required supporting documents have been made available for public inspection along with the MTW Supplement and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its MTW Supplement and will continue to be made available at least at the primary business office of the MTW PHA.

\_\_\_\_\_  
**MTW PHA NAME**

\_\_\_\_\_  
**MTW PHA NUMBER/HA CODE**

*I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).*

\_\_\_\_\_  
**NAME OF AUTHORIZED OFFICIAL**

\_\_\_\_\_  
**TITLE**

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

\* **Must be signed by either the Chairperson or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chairperson or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.**



**County of Santa Cruz Board of Supervisors**

**Agenda Item Submittal**

**From:** Board of Supervisors: Administration  
(831) 454-2200

**Subject:** At-large reappointment to the Housing Authority Board of Commissioners (Tenant Rep)

**Meeting Date:** September 20, 2022

**Recommended Action(s):**

- 1) Accept nomination of Ligaya Eligio for reappointment to the Housing Authority Board of Commissioners, as an at-large tenant representative, in accordance with Resolution No. 389-69, for a term to expire October 18, 2024; and
- 2) Return for consideration of final appointment on October 18, 2022.

**Executive Summary**

Accept nomination for reappointment to fill an at-large tenant representative position on the Housing Authority Board of Commissioners.

**Background**

Based on the letter received, Ligaya Eligio has been nominated to serve an additional two-year term, as the at-large tenant representative, with final appointment to be considered on October 18, 2022.

**Submitted by:**

Manu Koenig, Chair, Board of Supervisors

**Attachments:**

Letter of Housing Authority Board - Reappointment of Ligaya Eligio

**cc:**

Housing Authority Board of Commissioners  
Ligaya Eligio

**APPOINTED**  
10 | 17 | 22



**County of Santa Cruz Board of Supervisors  
Agenda Item Submittal**

**From:** Manu Koenig, First District Supervisor  
(831) 454-2200

**Subject:** At-Large Appointment to the Housing Authority Board of Commissioners

**Meeting Date:** October 18, 2022

**Recommended Action(s):**

1. Accept nomination of Silvia Morales for appointment to the Housing Authority Board of Commissioners, as an at-large representative, in accordance with Resolution No. 389-69, for a term to expire September 1, 2023; and
2. Return for final appointment on October 25, 2022.

**Executive Summary**

Accept nomination for appointment to fill an at-large representative position on the Housing Authority Board of Commissioners, for a term to expire September 1, 2023.

**Background**

Based on the applications received, Silvia Morales has been nominated to serve as an at-large representative, with final appointment to be considered on October 25, 2022.

**Financial Impact**

None

**Submitted by:**

Manu Koenig, First District Supervisor

**Attachments:**

Silvia Morales Application

**cc:**

Housing Authority Board of Commissioners  
Silvia Morales

**APPOINTED**  
10/18/22



**County of Santa Cruz Board of Supervisors  
Agenda Item Submittal**

**From:** Board of Supervisors: Administration  
(831) 454-2200

**Subject:** At-Large Appointment to the Housing Authority Board of Commissioners (City of Watsonville)

**Meeting Date:** November 15, 2022

**Recommended Action(s):**

Accept nomination of Providence Alaniz to the Housing Authority Board of Commissioners, as the at-large representative of the City of Watsonville, in accordance with Resolution No. 203-22, for a term to expire February 10, 2023.

**Executive Summary**

Accept nomination to fill an at-large representative of the City of Watsonville for a term to expire February 10, 2023.

**Background**

Attached is a minute order from the September 27, 2022, Watsonville City Council meeting indicating that the City Council took action to nominate Ms. Alaniz for appointment as the representative of the City of Watsonville to the Housing Authority Board of Commissioners. Therefore, in accordance with Resolution No. 203-22, I recommend the appointment of Providence Alaniz to the Housing Authority Board of Commissioners, as a representative of the City of Watsonville, for a term to expire February 10, 2023.

**Submitted by:**

Manu Koenig, Chair, Board of Supervisors

**Attachments:**

Resolution No. 203-22  
Providence Alaniz Application - City of Watsonville

**cc:**

Providence Alaniz  
Housing Authority Board of Commissioners  
Watsonville City Clerk Irwin Ortiz

**APPOINTED**  
11/15/22



## AGENDA ITEM SUMMARY

---

**MEETING DATE:** December 14, 2022

**ITEM NUMBER:** 8

**FROM:** Executive Director

---

**SUBJECT:** Executive Director's Report – December 14, 2022

---

**RECOMMENDATION:** Receive Report

---

### **BACKGROUND SUMMARY:**

Please call or e-mail me with questions you might have on any of the Agenda Items for the December 14, 2022 meeting. My phone number is (831) 454-5931 and my email address is [jennyp@hacosantacruz.org](mailto:jennyp@hacosantacruz.org).

**Emergency Housing Vouchers** – In July 2021, HACSC received 269 Emergency Housing Vouchers (EHVs) designated to serve individuals and families experiencing homelessness, as referred through the County of Santa Cruz Continuum of Care. HUD informed housing authorities that the vouchers must be issued prior to September 2023. After this date, no new EHVs could be issued, and any unused EHVs could be recaptured by HUD and redistributed to other communities. For the past 18 months, HACSC has worked closely with the County and community partners to prioritize the utilization of this time limited voucher program. Nationally, HUD has touted the EHV program as a success, stating that the program is leasing at a rate faster than any previous new housing voucher program. However, our program in Santa Cruz County is among the most successful in the nation. Nationally, EHV utilization is currently 57%, with a utilization of 50% statewide. Locally, the EHV program for Santa Cruz County is at the brink of 100% utilization, expecting to reach that milestone in the next few weeks. The EHV program has resulted in housing for hundreds of our most vulnerable community members. Additionally, the outstanding utilization we have achieved has positioned us well to potentially receive additional EHV vouchers recaptured from other communities who do not fully utilize their program.

**Property Agent Incentives Contract** – One unique feature of EHV vouchers that contributed to their success was additional administrative fees that were used to provide a \$2,000 bonus to landlords and owners who rented to individuals and families with Emergency Housing Vouchers. Staff and community partners received a great deal of positive feedback from landlords about the EHV bonuses. In an effort to expand the bonus program to landlords who rent to all special purpose voucher programs (and therefore expand housing opportunities for hard-to-house populations), the Housing Authority has entered into an agreement with the County to fund a new Property Agent Incentives program. The new County funded program will provide \$2,000 lease up bonuses to landlords who rent to households with all homeless targeted vouchers (Disabled and Medically Vulnerable, Shelter Plus Care, VASH, etc) along with other non-homeless targeted special purpose vouchers such as Family Unification Vouchers for families and former transition age youth.

**Pippen Phase II Groundbreaking** – On Friday November 18<sup>th</sup>, MidPen Housing hosted a groundbreaking event to celebrate breaking ground on construction of Pippen Apartments Phase II, which will consist of 80 affordable apartments for families including farmworker households and households with supportive housing needs. The Housing Authority’s award of 37 Project Based Vouchers to the project helped ensure the provision of tax credits for the property and support ongoing operating costs by providing market rate revenue while keeping the units affordable to extremely low-income families.



**Natural Bridges Update** – On November 18, New Horizons initiated Phase II of the RFQ process with the short-list of selected general contractors for construction services. Phase II responses include contract sum fee proposal due on December 19, and interviews with staff scheduled for January 10, 2023. Staff will complete the RFQ review to score responses shortly after interviews are conducted and will notify the Board of Commissioners during the January meeting of the selected general contractor to request authority to enter a contract and issue a notice to proceed. The NEPA review and comment period has concluded and the Notice of Finding no Significant Impact and the Notice of Intent to Request Release of Funds can be submitted to HUD. The Subsidy Layering Review (SLR) request was submitted to HUD on October 5, and we expect a response from HUD soon with approval. The Housing Authority will proceed to execute the AHAP upon receipt of SLR approval by HUD. The Housing Authority submitted the second set of construction drawings for review by the City of Santa Cruz on December 2, and we expect comments from the City of Santa Cruz within the next two to three weeks. These construction drawings consisted of changes to the first floor which included modifications to the utility and electrical room, and removal of the office to accommodate the addition of a common bathroom and a larger community room. Due to these changes the architects and engineers expect the City of Santa Cruz will have additional comments that will require a third and final submission of construction drawings for their approval. The Housing Authority expects to break ground on construction in January 2023 with occupancy in Spring 2024.

**Management Staffing** – The Housing Authority has continued to experience staff changes, including significant changes within the executive management team. Last year, the agency recruited two new department directors; Kathleen Kiyabu as Administrative Services Director, and Tom Graham as Director of Operations, following the retirements of both Mark Dammann and Mark Failor. It is with a mix of both sadness and joy, that I share the news that Ana Burns, who has led our Housing Programs Department for nearly 20 years, has announced her upcoming retirement in Spring 2023. Therefore, the Housing Authority is currently working to add *two* new members to our management team in the coming year, including a new Housing Programs Director, as well as a brand new management position (approved at the October

Board meeting) which will be a Director of Property Management and Client Services. Finally, Director of Operations Tom Graham has accepted a reclassification to the position of Deputy Executive Director, effective January 1, 2023. While it is challenging for any agency to experience significant levels of management turnover in a short period of time, the Housing Authority has been uniquely fortunate to recruit exceptional new team members as directors have retired. Our team remains cohesive, strong, well positioned to continue the growth and modernization of the past few years, and united in our commitment to housing low-income families.

**Legislative Update** – In late September, Congress averted a government shutdown by passing the Continuing Appropriations Act of 2023, extending the deadline for fiscal year 2023 funding bills through December 16 with the intention of resuming appropriations work after the November midterm elections. Currently, Congress is back in session and has entered its “lame duck” session with appropriations bills as the highest priority. Congress must either pass FY2023 appropriations by December 16<sup>th</sup>, or extend the deadline into next year with another continuing resolution. The most recent draft appropriation bills by both the Senate and the House have been favorable, with varying levels of modest increases to administrative fees and with the promise of additional vouchers on the horizon.