

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ**  
**AGENDA OF THE REGULAR BOARD MEETING**  
**February 22, 2023**  
**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: Feb 22, 2023 11:30 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/89965176019?pwd=aXVqN0xUSnRiZWZsa2d3SmZrdzRLdz09>

Meeting ID: 899 6517 6019

Passcode: 900016

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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	4 year term expires, February 10, 2027
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. Minutes of the Regular Meeting held January 25, 2023

Motion to Approve as Submitted

B. Quarterly Financial Report

Receive Report

C. Tenant Protection Resources

Receive Report

D. New Horizons Scholarship Program

Motion to Approve Staff Proposal on the Eligibility and Application Requirements for the New Horizons Scholarship Program

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. Agency Annual Plan, Administrative Plan and MTW Supplement

Review Draft Agency Annual Plan, Administrative Plan and MTW Supplement
  - B. Project Based Voucher RFP Evaluation Criteria Framework

Discussion of Framework For Evaluation Criteria Used to Determine the Commitment of Project Based Vouchers (PBVs)
7. Written Correspondence
8. Director's Report
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.*

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING JANUARY 25, 2023, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41<sup>ST</sup> AVENUE, CAPITOLA, CA 95010

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**AGENDA ITEM NO. 1**

Roll Call

Chairperson Schiffrin called the meeting to order at 11:37 a.m. Members present via Zoom meeting Chairperson Schiffrin, Vice-Chairperson Berg, Commissioners Eligio, Martinez Alaniz, Melendrez, Morales and Schmale

**Members Absent**

None.

**Staff Present**

Jennifer Panetta, 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 Martinez Alaniz 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, Martinez Alaniz, Melendrez, Morales, Schiffrin and Schmale

NOES: None

ABSENT: None

ABSTAIN: None

Agenda Item 3A. Approved Minutes of the Special December 14, 2022 Meeting

Agenda Item 3B. Adopted Resolution No. 2023-01 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

Agenda Item 3C. Received Report Agency Goals - Quarterly Update

Agenda Item 3D. Received Report New Horizons Programs and Services – Quarterly Update

Agenda Item 3E. Received Report Section 8 Housing Choice Voucher Program: Voucher and Funding Utilization

**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: Jan 25, 2023 11:30 AM Pacific Time (US and Canada)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING JANUARY 25, 2023, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41<sup>ST</sup> AVENUE, CAPITOLA, CA 95010

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Join Zoom Meeting

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Meeting ID: 848 3551 4379

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+16694449171,,84835514379#,,,,\*112738# US

Meeting ID: 848 3551 4379

Passcode: 112738

Find your local number: <https://us02web.zoom.us/j/84835514379?pwd=T3VDY09sZTJ5Y2w4Zjh3VmpPcVZCUT09>

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. No members of the public were in attendance who would like to comment on items not on the agenda. City Council Member Sonja Brunner and Robert Ratner, County of Santa Cruz Director, Housing for Health Division, Human Services Department attended the meeting. Chairperson Schiffrin welcomed both attendees. City Council Member Brunner congratulated staff on their progress so far in completing the established annual performance goals for the Agency.

**AGENDA ITEM NO. 5** Unfinished Business  
None.

**AGENDA ITEM NO. 6A** Request to Allow Lifetime Registered Sex Offenders in Shelter Plus Care Program

Secretary Panetta informed the Board that this item is on the agenda due to a letter received from the Human Services Department, Housing for Health Division requesting an update to the Shelter Plus Care (S+C) Agency policy documents to allow the consideration of life time Registered Sex Offenders (RSOs) admission the S + C Program. Secretary Panetta informed the Board that the Shelter Plus Care (S+C) Program provides rental assistance and supportive services to chronically homeless individuals and families with disabilities including but not limited to serious mental illness and chronic problems with alcohol and/or drugs. The S+C Program is administered in partnership with the County of Santa Cruz and the Homeless Persons Health Project (HHPH).

Secretary Panetta informed the Board that the Department of Housing and Urban Development (HUD) has prohibited Lifetime Registered Sex Offenders (RSOs) from admission into any Public and Indian Housing (PIH) federal housing or rental assistance program since 2001. This prohibition is applicable to the Housing Choice Voucher Program, the Project Based Voucher Program, Moderate Rehabilitation Program, and Low-Income Public Housing. However, the ban on admission for RSOs is not applicable

to the Shelter Plus Care Program, which is funded through the office of Community Planning and Development.

This is now before the Board with the attached letter from the County requesting a modification of policies for admission into the S+C Program. The County has requested a narrowly tailored exception, allowing RSOs individual consideration based on their personal histories, current needs, and evidence of personal change over time. The County has committed to ensuring that any RSOs admitted to the program will find housing in a location that complies with state law and that such individuals will receive ongoing supportive services.

Secretary Panetta introduced Robert Ratner, County of Santa Cruz Director, Housing for Health Division, Human Services Department who informed the Board that the research suggests that RSOs who experience homelessness are more likely to reoffend and that the Housing for Health Division is requesting to allow a narrowly tailored exception, such that RSOs may receive individual consideration for admission into the S+C program. Mr. Ratner thanked the Board for considering this proposal. Mr. Ratner informed the Board that if the Housing Authority considers these RSOs for S + C eligibility, the County's internal team and service providers will work with local law enforcement agencies and legal counsel to ensure that housing secured by any RSOs complies with state law and the participates will receive ongoing supportive services. A discussion followed on the criteria used to consider these RSOs for the S + C program.

Commissioners expressed receptivity to the request, but also expressed concern about how and on what basis individuals would be considered for admission. Commissioner Morales moved to approve the staff recommendation to updated Shelter Plus Care policy documents to allow consideration of lifetime registered sex offenders with the condition that the Housing for Health Division develop criteria for the admission of RSOs, that considers the severity of the offense, the recency of the offence, evidence of personal change over time, and likelihood of reoffending. This criterion would be presented to the Housing Authority Board for consideration and approval prior to implementation. Commissioner Martinez Alaniz seconded the motion and it as passed by the following vote:

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

Mr. Ratner exited the meeting with thanks from the Board of Commissioners at 12:11 p.m.

**AGENDA ITEM NO. 6B**

Housing Authority Board of Commissioners Meeting Format,  
Meeting Time and Special Meeting Date in March

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Secretary Panetta informed the Board that since March 2020 the Housing Authority Board of Commissioners meetings have taken place remotely via Zoom. This was allowed through an emergency exception to the Brown Act requirement during COVID-19. COVID-19 State of Emergency will end on February 28, 2023. Therefore, beginning with the March meeting of the Housing Authority Board of Commissioners, we will no longer be exempt from Brown Act requirements and will resume in-person Board meetings.

Secretary Panetta informed the Board that Commissioner Schiffrin has proposed changing the regular meeting time from 11:30 a.m. to 11:00 a.m. Staff has no objection to changing the meeting time, and would like to receive direction from the Board about this proposed change. Secretary Panetta informed the Board that the meeting times are established in the Agency Bylaws which will be to revised.

Secretary Panetta informed the Board that the March Board meeting is scheduled for March 22, 2023. This meeting date conflicts with the National Association of Housing and Redevelopment Officials (NAHRO) annual legislative conference. Staff propose to reschedule the March board meeting to the following Wednesday, on March 29, 2023. A discussion followed.

City Council Member Brunner commented that the 11:00 a.m. meeting time might restrict access to those of the public who would want to attend the meeting during their lunch hour. Chairperson Schiffrin stated if the time becomes an issue, the Board can bring it back on the agenda for revision. Commissioner Berg stated that a note could be put on the agenda regarding the public comment time. The Board of Commissioners will leave that decision up to staff.

Commissioner Berg moved to approve Revision to Housing Authority Bylaws Reflecting an 11:00 am Meeting Time, Cancellation of Regular March Meeting Scheduled for March 22, 2023, and Scheduling Special March Meeting on March 29, 2023; Commissioner Martinez Alaniz seconded the motion and it as passed by the following vote:

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

**AGENDA ITEM NO.6C**

Project Based Voucher RFP Evaluation Criteria

Secretary Panetta informed the Board that over the past several years, the Housing Authority has worked

to expand its Project Based Voucher (PBV) program with two goals. First, the Housing Authority's goal is to support affordable housing development and secondarily increasing the number of units that are exclusively available to applicants from the Housing Authority waiting list. The Board establishes the Housing Authority PBVs Evaluation Criteria in a way that is consistent with the Housing Authority's mission, goals and priorities and the Housing Authority staff scores the applications received based on the Board's criteria. Secretary Panetta informed the Board that HUD limits how many vouchers the Housing Authority can project base. At this time, the Housing Authority is preparing to apply for a waiver that will allow the Housing Authority to increase those limits. There are two kinds of limits for the PBV limits, a program cap and a project cap. The Housing Authority is planning to apply for an increase in the program cap that would allow up to 50% of all vouchers to be project based, as well as a project cap that would allow up to 100% of all units at a specific project to be project based.

At the December meeting during the discussion of waivers, the Board expressed concern about increasing the PBVs project cap up to 100% suggesting that some projects may overly rely on PBVs to meet their financing needs. Staff requested feedback from the Board in order to better understand the Board's goals, priorities, and concerns with PBV expansion in order to draft a proposed revision to the existing criteria prior to the implementation of any new PBV waivers later this summer. A discussion followed.

Staff will develop a framework for a revised PBV evaluation criteria based on the Board's discussion and bring this proposed framework to the Board at a subsequent meeting.

Finance Director Pomeroy entered the meeting at 12: 45 p.m.

**AGENDA ITEM NO.6D**                      Sale of 415 Natural Bridges Drive

Secretary Panetta introduced Deputy Director Tom Graham who explained to the Board that the 415 Natural Bridges property was purchased in November 2013 with the goal of developing affordable housing on the site.

New Horizons Affordable Housing and Development, Inc. was established by the Housing Authority to help support the Housing Authority's mission of developing affordable housing. The sale of this property aligns with the mission of the Housing Authority and the guiding principles of New Horizons. The Housing Authority intends to sell the Property to New Horizons for the appraised value of \$1,530,000.

The Housing Authority will record a long-term regulatory agreement against the Property for a period of fifty-five years to ensure continued affordability. The City will also require the recordation of an affordability restriction against the project as a requirement of their conditions of approval.

The Housing Authority will also provide a loan to New Horizons in an amount not to exceed \$7.5M to assist in the acquisition and construction of the project (the "Loan"). The Loan will be evidenced by a promissory note and secured by a deed of trust and will be repaid from surplus cash from the project. A discussion followed. Deputy Executive Director Graham read the amended staff recommendation. Amended motion ***below in italics.***

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Commissioner Martinez Alaniz moved to Approve Recommendation as amended for the Executive Director to:

- (i) sell the property located at 415 Natural Bridges Drive to New Horizons for 1,530,000 and enter into all documents necessary to effectuate that sale and to ensure the continued affordability of the project, including but not limited to purchase and sale agreement, grant deed, escrow instructions, and regulatory agreement;
- (ii) assign certain predevelopment contracts to New Horizons and enter into all documents necessary to effectuate that assignment including but not limited to an assignment agreement;
- (iii) and provide *up to a \$7.5M Loan for acquisition and construction of the project* to New Horizons and enter into all documents necessary to provide the Loan including but not limited to promissory note, and deed of trust.

;Commissioner Melendrez seconded the motion and it as passed by the following vote:

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

**AGENDA ITEM NO. 7** Written Correspondence  
None.

**AGENDA ITEM NO. 8** Report of Executive Director

Deputy Executive Director Graham informed the Board of the impact of the recent storms.

Executive Director Panetta updated the Board on the use of Emergency Housing Vouchers and where the households are residing by zip code.

Executive Director Panetta updated the Board of the process of the Agency Annual Plan.

Deputy Executive Director Graham updated the Board on the 415 Natural Bridges development.

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

**AGENDA ITEM NO. 10** Closed Session



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None.

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

**AGENDA ITEM NO. 12**                      Adjournment

The Board of Commissioners meeting was adjourned at 1:01p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Second of February, 2023

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

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

Secretary

## AGENDA ITEM SUMMARY

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**MEETING DATE:** February 22, 2023

**ITEM NUMBER:** 3B

**FROM:** Executive Director

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**SUBJECT:** Quarterly Financial Report

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**RECOMMENDATION:** Receive Report

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### BACKGROUND SUMMARY:

The year-to-date financial reports, as of December 31, 2022, take us 6 months, or 50%, into the current fiscal year. The total of all revenue, excluding HAP reimbursements, is 46% of total budgeted, while HAP is 48% of the amount budgeted. Total expenses, excluding HAP, are 42% 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 \$878,076 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	\$588,886	Vouchers, Mod Rehab & Mob Rehab SRO
Federal Housing Programs	16,099	Casa Pajaro & Tierra Alta Farm Labor Housing
Federal Grants	(11,407)	Family Self Sufficiency & Shelter Plus Care Grants
Local Programs	(331)	Security Deposits, Landlord Incentives, Eligibilities
Business Activities	284,829	Includes 41st Ave Offices & Mission St Warehouse
<b>Agency-Wide Surplus</b>	<b>\$878,076</b>	

The following individual programs are experiencing a year-to-date deficit:

Family Self Sufficiency (FSS)	(\$11,407)	(Grant funds insufficient to cover personnel costs)
City of Santa Cruz	(\$1,527)	(Local programs funds insufficient to cover personnel costs)

**RECOMMENDATION:** Receive Report

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

# 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 - December 31, 2022 (2nd Quarter)**

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
<b>Revenues:</b>			
HAPS / Program	56,120,587	116,679,920	48%
Administrative Fees	4,693,153	9,010,061	52%
Grants / Contracts	274,583	966,416	28%
Rental Income	836,409	1,711,806	49%
Operating Transfers In	190,388	1,316,124	14%
Other Income	49,130	94,862	52%
<b>Total Revenues:</b>	<b>62,164,251</b>	<b>129,779,189</b>	<b>48%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	56,120,587	116,679,920	48%
Salaries	2,199,770	4,694,253	47%
Employee Benefits	995,014	2,436,384	41%
Capital Purchases	200,532	1,306,424	15%
Maintenance	229,161	466,036	49%
General Administrative	1,003,183	2,277,247	44%
Tenant Services	507,184	939,007	54%
Operating Transfers Out	30,745	60,615	51%
Debt Service	0	7,294	0%
<b>Total Expenses:</b>	<b>61,286,176</b>	<b>128,867,180</b>	<b>48%</b>
<b>Surplus (Deficit):</b>	<b>878,076</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 - December 31, 2022 (2nd Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
<b>Revenues:</b>			
HAPS / Program	55,721,924	115,877,197	48%
Administrative Fees	4,366,269	8,159,181	54%
Grants / Contracts	-	-	0%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	12,700	22,724	56%
<b>Total Revenues:</b>	<b>60,100,893</b>	<b>124,059,102</b>	<b>48%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	55,721,924	115,877,197	48%
Salaries	1,864,328	3,840,248	49%
Employee Benefits	879,757	2,094,825	42%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	735,662	1,582,597	46%
Tenant Services	310,335	202,500	0%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
<b>Total Expenses:</b>	<b>59,512,007</b>	<b>123,597,367</b>	<b>48%</b>
<b>Surplus (Deficit):</b>	<b>588,886</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 - December 31, 2022 (2nd 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	357,813	768,397	47%
Operating Transfers In	23,820	724,069	3%
Other Income	21,255	41,376	51%
<b>Total Revenues:</b>	<b>402,888</b>	<b>1,533,842</b>	<b>26%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	-	-	0%
Salaries	83,044	191,567	43%
Employee Benefits	29,359	81,946	36%
Capital Purchases	11,480	724,069	2%
Maintenance	174,519	333,800	52%
General Administrative	57,644	123,882	47%
Tenant Services	-	-	0%
Operating Transfers Out	30,745	60,615	51%
Debt Service	-	7,294	0%
<b>Total Expenses:</b>	<b>386,789</b>	<b>1,523,173</b>	<b>25%</b>
<b>Surplus (Deficit):</b>	<b>16,099</b>	<b>10,668</b>	

# HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

## Budget Comparison - Federal Grants

Includes Family Self Sufficiency and Shelter Plus Care Grants

Fiscal Year to Date for the Period July 1, 2022 - December 31, 2022 (2nd Quarter)

		2022-2023	
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
<b>Revenues:</b>			
HAPS / Program	398,663	802,723	50%
Administrative Fees	-	-	0%
Grants / Contracts	68,259	191,916	36%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	-	-	0%
<b>Total Revenues:</b>	<b>466,922</b>	<b>994,639</b>	<b>47%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	398,663	802,723	50%
Salaries	46,514	147,493	32%
Employee Benefits	28,673	68,590	42%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	565	1,933	29%
Tenant Services	3,914	26,607	15%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
<b>Total Expenses:</b>	<b>478,329</b>	<b>1,047,346</b>	<b>46%</b>
<b>Surplus (Deficit):</b>	<b>(11,407)</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 - December 31, 2022 (2nd Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
<b>Revenues:</b>			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	206,325	774,500	27%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	2,750	9,100	30%
<b>Total Revenues:</b>	<b>209,075</b>	<b>783,600</b>	<b>27%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	-	-	0%
Salaries	10,031	42,765	23%
Employee Benefits	2,658	16,069	17%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	3,782	13,645	28%
Tenant Services	192,935	709,900	27%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
<b>Total Expenses:</b>	<b>209,406</b>	<b>782,379</b>	<b>27%</b>
<b>Surplus (Deficit):</b>	<b>(331)</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 for New Horizons & Merrill Road

Fiscal Year to Date for the Period July 1, 2022 - December 31, 2022 (2nd Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
<b>Revenues:</b>			
HAPS / Program	-	-	0%
Administrative Fees	326,884	850,879	38%
Grants / Contracts	-	-	0%
Rental Income	478,596	943,409	51%
Operating Transfers In	166,568	592,055	28%
Other Income	12,426	21,662	57%
<b>Total Revenues:</b>	<b>984,474</b>	<b>2,408,005</b>	<b>41%</b>
<b>Expenses:</b>			
Housing Assistance Pmts	-	-	0%
Salaries	195,853	472,180	41%
Employee Benefits	54,567	174,954	31%
Capital Purchases	189,052	582,355	32%
Maintenance	54,642	132,236	41%
General Administrative	205,530	555,189	37%
Tenant Services	-	-	0%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
<b>Total Expenses:</b>	<b>699,644.85</b>	<b>1,916,914</b>	<b>36%</b>
<b>Surplus (Deficit):</b>	<b>284,829</b>	<b>491,091</b>	



## AGENDA ITEM SUMMARY

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**MEETING DATE:** February 22, 2023

**ITEM NUMBER:** 3C

**FROM:** Executive Director

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**SUBJECT:** Tenant Protection Resources

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**RECOMMENDATION:** Receive Report

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### **BACKGROUND SUMMARY:**

A member of the Housing Authority Board of Commissioners has expressed interest in receiving information on Tenant Protection resources available to Housing Choice Voucher families that need assistance with security deposits, rental assistance, evictions, or other tenant and landlord issues. The Housing Authority initiated outreach to partner agencies to engage in a dialogue on the topic of Tenant Protection Resources, to learn more about each agency's programs and services, the populations they serve, and potential opportunities for collaboration. Initial outreach included California Rural Legal Assistance (CRLA), Senior Legal Services, Community Action Board of Santa Cruz County, Inc (CAB), Tenant Sanctuary and the Conflict Resolution Center of Santa Cruz County (CRC). This outreach is still ongoing, with some meetings scheduled to take place in the coming weeks.

There are two primary resources providing tenant protection, legal representation, and advocacy for low-income families in our jurisdiction. California Rural Legal Assistance (CRLA) provides legal aid to low-income individuals up to age 60, while Senior Legal Services provides legal aid to low-income seniors. Additionally, a few other agencies provide information, education, and sometimes mediation to low-income tenants, including Tenant Sanctuary and Conflict Resolution Center.

In initial conversations, staff from these agencies have expressed that an underlining external challenge is the lack of affordable housing and limited housing choices for low-income households within the county. These challenges present the opportunity for a relationship imbalance between tenants and owners, in which owners may fail to comply with lease requirements or the law, and tenants may not know their rights, or may be reluctant to exercise their rights out of fear of displacement or retaliation. These dynamics may increase the demand for partner agencies to provide legal and advocacy service to tenants.

Partner agencies shared that at the agency level there are limited financial and staffing resources to assist with the volume of cases, and there is a need to prioritize cases based the type of tenancy issue, which means not all tenants can receive assistance. Some tenants are referred to the Self-Help Center at the Superior Court or the Santa Cruz County Law Library where they can access resources, information, and forms to navigate their case. Another challenge is providing information for tenants to make informed decisions on which partner agency is best suited to assist with their needs, and to avoid instances in which they get re-referred to another partner agency.

Housing Authority staff propose to update our website with more comprehensive and more helpful information on Tenant and Landlord resources as well as information on Tenant Protection

Resources. Additionally, the Housing Authority will continue to explore opportunities to partner directly with service providers to assist our clients through New Horizons Program and Services. Specifically, the Housing Authority will seek to collaborate with legal aid service providers to offer workshops on tenant rights and responsibilities and may also seek opportunities to connect tenants and landlords to external housing mediation services. This information will be included in the New Horizons Resident and Client Services Proposal coming to the Board this Spring.

**RECOMMENDATION:** Receive Report

## AGENDA ITEM SUMMARY

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**MEETING DATE:** February 22, 2023

**ITEM NUMBER:** 3D

**FROM:** Executive Director

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**SUBJECT:** New Horizons Scholarship Program

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**RECOMMENDATION:** Approve Staff Proposal on the Eligibility and Application Requirements for the New Horizons Scholarship Program

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### **BACKGROUND SUMMARY:**

In June 2022, the New Horizons Board of Directors approved the staff proposal to develop and implement a resident services program (subsequently renamed New Horizons Programs and Services) which included the allocation of \$20,000 for a scholarship program to support college-bound high school seniors, continuing college students, or returning students attending a university, community college or technical school on a full or part time basis. The New Horizons Board approved the proposal with the motion directing staff to increase the scholarship fund allocation to a total of \$40,000, and to include education and training opportunities beyond colleges and universities.

The New Horizons Scholarship Program is intended to enrich the lives of our families to promote academic achievement and economic mobility through education and training. Scholarship funds will be issued directly to the scholar and can be used for a variety of expenses which include but are not limited to tuition, fees, books, computer equipment, and other materials required for their selected program. A maximum of 40 applicants will be selected for a scholarship with a minimum scholarship award of \$1,000 each.

Staff are proposing the following eligibility and application requirements for the 2023 scholarship awards.

Minimum applicant eligibility requirements:

- Must be a member of a household that is an active program participant of a federally funded rental assistance program administered by the Housing Authority or a resident of a New Horizons or Housing Authority owned or controlled property.
- Must be 18 years or older, or a high school senior.
- Must be accepted into or enrolled in a university, state, or community college, vocation or trade school or program for the upcoming fall semester following the scholarship application period.
- Must submit a complete scholarship application by the established deadline.

New Horizons will establish a staff evaluation committee to review and score applications. This process will include a preliminary review to ensure the applicant meets the minimum eligibility requirements (outlined above), application scoring, and award recommendations. Applicants will receive points based on factors including educational activity and institution type, essay submission, letters of recommendations, and community service activities.

Education and institution types include but are not limited to four-year university or college, two-year community college, technology or vocational school or program, certificate program and post graduate programs. The scoring methodology will provide greater points to applicants that enroll in a program that is accredited, or meets a state or federal certification, such as California Workforce Development Board or US Department of Labor and can demonstrate a nexus between the educational program and future employment opportunities.

The personal essay is an opportunity for the applicant to present their long-term goals towards greater economic mobility and self-sufficiency and how the scholarship can help them to achieve these goals. The application will outline specific questions for the applicant to address in their essay response. The scoring methodology will provide greater points to applicants that can clearly articulate their goals and how the scholarship will help them to achieve these goals.

Letters of recommendations will be requested, preferably by an academic professional such as a teacher or advisor, or a professional colleague in a supervisor capacity, but they will also be accepted from a co-worker, mentor, coach or personal acquaintance. The scoring methodology will provide greater points to applicants that submit recommendations by an academic professional or professional supervisor, and that highlight the applicant's commitment to working towards achieving their goals.

Lastly, applicants may receive bonus points for engagement in community service. This category will be scored based on the frequency in which the applicant has engaged in community service activities. The scoring methodology will provide greater points to applicants that demonstrated regular and ongoing community service.

If fewer than 40 eligible applications are received, all eligible applicants will be awarded a minimum of \$1,000. If more than 40 eligible applications are received, applications will be ranked, with the top 40 applicants receiving \$1,000 each.

Upon approval of this framework, staff will develop the application document, prepare marketing materials, and conduct outreach to eligible households. Staff plan to commence the outreach during the month of April with an application deadline of May 31, 2023.

**RECOMMENDATION:** Approve Staff Proposal on the Eligibility and Application Requirements for the New Horizons Scholarship Program

## AGENDA ITEM SUMMARY

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**MEETING DATE:** February 22, 2023

**ITEM NUMBER:** 6A

**FROM:** Executive Director

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**SUBJECT:** Agency Annual Plan, Administrative Plan and MTW Supplement

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**RECOMMENDATION:** Review Draft Agency Annual Plan, Administrative Plan and MTW Supplement

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### **BACKGROUND SUMMARY:**

HUD requires that all public housing authorities (PHAs) complete and submit an annual PHA Agency plan. The purpose of the Agency Plan is to provide a resource by which HUD, program participants, and other members of the public may locate basic information about the PHA, as well as basic PHA policies, rules and requirements concerning operations, programs and services.

Staff have completed a draft update to the Agency Annual Plan, and the required attachments including the Housing Choice Voucher Administrative Plan and the MTW Supplement to the PHA Plan. In December, staff presented the Board with an initial draft of the MTW supplement to the PHA Plan, outlining proposed administrative waivers available to MTW agencies. The Board of Commissioners expressed support for the draft MTW Supplement, and the specific waivers proposed. Based on this direction, staff have updated the Agency Plan and Administrative Plan to be consistent with the proposed MTW Supplement.

In January, the Resident Advisory Board (RAB) convened to review and discuss the Agency Plan, Administrative Plan and MTW Supplement, specifically with regard to proposed administrative waivers and proposed Administrative Plan revisions. The RAB engaged in a productive discussion of the draft revisions, and expressed support for the proposed changes. Members of the RAB have been invited to the public hearing which will take place at the March meeting. Beginning on Friday February 10, 2023, and running weekly through March 29, 2023, a notice informing the public of the opportunity to review the Agency Plan, Administrative Plan, and MTW Supplement soliciting comments, and providing information about the public hearing to consider the plan, is being published in English and Spanish in the Santa Cruz Sentinel, the Watsonville Pajaronian, and the Hollister Freelance. A copy of the Draft Agency Annual Plan and associated documents, along with information about the public hearing is also available to the public on the Housing Authority website.

The draft Annual PHA Plan and associated Housing Choice Voucher Administrative Plan and MTW Supplement are attached for review, discussion, and feedback.

The Annual PHA Plan is a required HUD form. The document outlines basic PHA information and presents progress made towards the goals established in the previous 5 year plan.

The Section 8 Housing Choice Voucher Administrative Plan is a document that HUD requires all PHAs to update on an annual basis as part of the annual PHA Plan process. The Administrative Plan

includes a combination of HUD required elements and discretionary policies established by the PHA. The draft provided for review is a redline version with “track changes” enabled so that all proposed revisions are visible. The revisions include changes made for alignment with the MTW Supplement, as well as other minor changes that are unrelated to the MTW Supplement. Changes to the Administrative Plan have been summarized in an overview, with information about each proposed change, the basis for the change, and any applicable notes.

The MTW Supplement to the PHA plan is a HUD form required by all MTW agencies. The Supplement outlines any MTW administrative waivers the Agency plans to utilize. There have been no significant changes to the MTW Supplement since the draft was discussed in the December meeting. While the document has been expanded upon for completeness, including the impact analyses and hardship policies, no proposed waivers have been added, removed, or altered since the initial discussion.

Housing Authority staff will include the Agency Annual Plan, Administrative Plan, and MTW Supplement for final review and approval at the March meeting. The March meeting will begin with two public hearings. In the first public hearing, members of the public will be invited to provide comment on Agency Plan, Administrative Plan and MTW Supplement. A second public hearing will take place directly afterwards, where members of the public will be invited to provide comment specifically on “Agency and Safe Harbor Waivers” contained in the MTW Supplement.

After public comment and any additional Board discussion, staff will recommend approval of the Plan documents for submission to HUD. 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:** Review Draft Agency Annual Plan, Administrative Plan and MTW Supplement

**ATTACHMENTS:**

1. Draft Agency Annual PHA Plan
2. Overview of Proposed Changes to the Housing Choice Voucher Administrative Plan
3. Draft Housing Choice Voucher Administrative Plan
4. Overview of Proposed MTW Waivers
5. Draft 2023 MTW Supplement

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

<b>Streamlined Annual PHA Plan</b> <i>(High Performer PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires 03/31/2024
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**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

**Applicability.** The Form HUD-50075-HP is to be completed annually by **High Performing PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, HCV-Only PHA, Small PHA, or Qualified PHA do not need to submit this form.

**Definitions.**

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, and that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined and is not PHAS or SEMAP troubled.

A.	PHA Information.														
A. 1	<p><b>PHA Name:</b> HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ      <b>PHA Code:</b> CA072</p> <p><b>PHA Type:</b>    <input checked="" type="checkbox"/> High Performer</p> <p><b>PHA Plan for Fiscal Year Beginning:</b> 07/01/2023</p> <p><b>PHA Inventory</b> (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)</p> <p><b>Number of Public Housing (PH) Units</b> _____ <b>0</b> _____      <b>Number of Housing Choice Vouchers (HCVs)</b> 5,781</p> <p><b>Total Combined</b> _____ <b>5,781</b> _____</p> <p><b>PHA Plan Submission Type:</b>    <input checked="" type="checkbox"/> Annual Submission                      <input type="checkbox"/> Revised Annual Submission</p> <p><b>Availability of Information.</b> In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> <b>PHA Consortia:</b> (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="width: 20%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 20%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 30%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 15%;">PH</th> <th style="width: 15%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:					
Participating PHAs	PHA Code					Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program							
		PH	HCV												
Lead PHA:															

<b>B.</b>	<b>Plan Elements</b>
<b>B.1</b>	<p><b>Revision of Existing PHA Plan Elements.</b></p> <p>(a) Have the following PHA Plan elements been revised by the PHA since its last <b>Annual PHA Plan</b> submission? Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs.  <input type="checkbox"/> <input checked="" type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.  <input type="checkbox"/> <input checked="" type="checkbox"/> Financial Resources.  <input type="checkbox"/> <input checked="" type="checkbox"/> Rent Determination.  <input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.  <input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention.  <input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.  <input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.  <input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each element below:  (c) The PHA must submit its Deconcentration Policy for Field Office Review.</p>
<b>B.2</b>	<p><b>New Activities.</b></p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA’s current Fiscal Year? Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods.  <input type="checkbox"/> <input checked="" type="checkbox"/> Mixed Finance Modernization or Development.  <input type="checkbox"/> <input checked="" type="checkbox"/> Demolition and/or Disposition.  <input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant Based Assistance.  <input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD.  <input checked="" type="checkbox"/> <input type="checkbox"/> Project Based Vouchers.  <input type="checkbox"/> <input checked="" type="checkbox"/> Units with Approved Vacancies for Modernization.  <input type="checkbox"/> <input checked="" type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p> <p>The Housing Authority maintains an open and continuous Request for Proposals (RFP) for Project Based Vouchers and will continue to project base units up to the HUD permitted Program Cap, in order to stimulate new affordable housing construction and/or support preservation of existing affordable housing units. The Housing Authority plans to project-base 234 former LIPH housing units. Upon HUD approval of the MTW Supplement, the Housing Authority may utilize a HUD waiver to move above the current Program Cap and will continue to utilize the PBV program to stimulate new affordable housing construction to the maximum extent possible.</p>
<b>B.3</b>	<p><b>Progress Report.</b></p> <p>Provide a description of the PHA’s progress in meeting its Mission and Goals described in the PHA 5-Year Plan.</p> <p><b>1. Goal: Expand supply of assisted housing</b></p> <p>a. <u>Apply for maximum award of additional rental assistance vouchers when available</u> – the Housing Authority applied for and was awarded 50 additional HUD-VASH vouchers, and 32 general purpose vouchers in the previous year.</p> <p>b. <u>Increase ACC of voucher program by new 200 vouchers</u> – The number of vouchers in our ACC has increased from 5,095 in July 2020 to 5,781 in January 2023, an increase of 686 vouchers. This includes 234 vouchers acquired through the Streamlined Voluntary Conversion, 268 Emergency Housing Vouchers (which are not</p>



permanent and will expire as families attrition out of the program over time), 90 Mainstream Vouchers, 62 VASH vouchers and 32 general purpose vouchers.

- c. Increase the size of project-based voucher program by 300 vouchers, with at least 150 of those vouchers provided to new affordable housing developments – The number of vouchers under a Housing Assistance Payment contract in our PBV program has increased from 321 units in July 2020 to 328 units in January 2023. Additionally, the Housing Authority has 620 units in the PBV pipeline that have been conditionally approved. All of these units represent new affordable housing developments, and the majority are expected to be completed within the timeframe of this 5-year plan.
- d. Complete the development of a minimum of 6 new affordable units on Natural Bridges Drive – The Housing Authority is in the process of developing 20 SRO units at the site. Construction is expected to begin in Spring 2023 with occupancy in Spring 2024.
- e. For new site based affordable housing, take measures to deconcentrate poverty and expand housing opportunity – The Housing Authority has developed a PBV scoring criteria that provides additional points for sites located in low poverty census tracts. Additionally, the Housing Authority converted all public housing to tenant protection vouchers; vouchers offer mobility options to areas of opportunity.
- f. If Section 22 SVC is completed: Consider using revenue from nonprofit affiliate to:
  - i. Fund at least one full or part time housing development position, either among HA staff or through a consultant – The Housing Authority has contracted with an external construction project manager to assist with the development of Natural Bridges.

## **2. Goal: Improve quality of assisted housing**

- a. Renovate or modernize existing housing units and complexes as needed – the Housing Authority renovates existing housing as needs are identified through annual inspections. – Since July 1, 2020, the Housing Authority has modernized a total of 26 former LIPH units. That consisted of new flooring, paint, counter tops, LED light fixtures, low-flow water plumbing fixtures and new energy efficient appliances. In addition to the 26 units that were modernized, the Housing Authority replaced appliance that were over 10 years old with new energy star rated refrigerators and stoves; in total, approximately 170 of each.

## **3. Goal: Increase assisted housing choices**

- a. Conduct FMR study bi-annually to continually increase voucher payment standards – the Housing Authority completed an FMR study in June 2020 and again in June 2022. Both studies have been approved by HUD and used to determine increased FMRs, Payment Standards, and funding levels for Santa Cruz County.
- b. Continue or expand Landlord Incentive Program by allocating up to \$200,000 to the program – The Housing Authority has increased the budget of the Landlord Incentive Program to \$200,000 utilizing funds from our nonprofit affiliate New Horizons Affordable Housing and Development.
- c. Increase number of landlords participating in Section 8 voucher program by 10% - The number of landlords participating in the Section 8 voucher program as of 7/1/2020 was 1,764. As of February 2023, there are 1,857 landlords participating, representing an increase of 5.3%.
- d. If Section 22 SVC is completed: Consider utilizing revenue from non-profit affiliate to: Provide housing counseling and/or information services to at least 50 non-assisted households, such as affordable housing waiting list alerts – The Housing Authority has established a waiting list notification service called Affordable Housing Alerts. Currently a total of 1,486 individuals subscribe to receive waiting list alerts.

## **4. Goal: Improve agency and program management**

- a. Maintain high performer status with a SEMAP score of at least 95% - The Housing Authority has maintained high performer status for SEMAP. Effective 1/1/2023, we are no longer subject to further SEMAP audits and this goal will no longer be applicable.
- b. Achieve and maintain high voucher and funding utilization rates of at least 95% - The Housing Authority has achieved 100% utilization of Emergency Housing Vouchers (EHVs). Our total voucher utilization rate is currently 93% as of December 2022, with a goal of achieving a total 95% utilization rate by July 2023.
- c. Implement landlord portal with features including document uploading and electronic signature on contracts – the Housing Authority has implemented the landlord portal through YARDI Rent Café and has implemented DocuSign for executing contracts.
- d. Implement resident portal with features including online annual re-examination forms, document uploading, and online maintenance requests – the Housing Authority has implemented the resident portal through YARDI Rent Café.
- e. Implement applicant portal with features including online access to application status, online application updates – The Housing Authority is currently working on preparing for implementation of a Yardi Rent Café applicant portal.

If Section 22 SVC is completed:

f. Conduct a survey of residents and program participants to determine which programs and services are most needed. The Housing Authority has conducted a Resident Needs Assessment to collect information about programs and services that assisted families are interested in. The results of the survey have been used to develop a New Horizons Resident Services program. The Housing Authority has established a new position of Director of Property Management and Client Services to help support the expansion of a resident services program.

**5. Goal: Promote self-sufficiency and asset development of families and individuals**

- a. If Section 22 SVC is completed: Consider utilizing revenue from non-profit affiliate to:
  - i. Provide or attract at least two supportive services to improve tenant employability: The Housing Authority has partnered with Cruzio to provide free high-speed internet to residents of HA owned or controlled properties. Additionally, the Housing Authority has partnered with Metro to provide free bus passes to residents of HA owned or controlled properties.
  - ii. Provide or attract at least two new supportive services to improve financial literacy – The Housing Authority has been selected to participate in the asset building cohort of the MTW Demonstration program. The Agency will work with HUD and HUD evaluators to develop an asset building program, including the development of new partnerships and services for participants.

**6. Goal: Utilize housing as a platform to improve quality of life**

- a. If Section 22 SVC is completed: Consider utilizing revenue from non-profit affiliate to:
  - i. Provide or attract at least two new supportive services to increase independence for elderly and disabled
  - ii. Provide or attract at least two new supportive services to increase health and wellness of residents
  - iii. Provide or attract at least two new supportive services to increase food security of residents
  - iv. Provide or attract at least two new supportive services to improve educational attainment of residents, such as promoting book rich environments.

The Housing Authority has conducted a Resident Needs Assessment to collect information about programs and services that assisted families are interested in. The results of the survey have been used to develop a New Horizons Resident Services program. The Housing Authority has established a new position of Director of Property Management and Client Services to help support the expansion of a resident services program. In addition to the high-speed internet and bus pass services named above, the year one Resident Services Plan includes assisting residents with connecting to existing programs and services such as public benefits and food banks, and establishing a scholarship program.

**7. Goal: Ensure equal opportunity and affirmatively furthering fair housing**

- a. Take affirmative measures to ensure access to assisted housing for all protected classes or persons least likely to access assistance – The Housing Authority monitors to ensure all protected classes and persons least likely to apply have adequate representation in Housing Authority programs and waiting lists. The Housing Authority is awaiting further guidance from HUD regarding updates to affirmatively furthering fair housing requirements. Additionally, the Housing Authority has established a goal of developing an Equity Report Card, which will be presented to the Board of Commissioners in Spring 2023.
- b. Implement measures to deconcentrate poverty and expand housing opportunity, such as regional payment standards, policies that do not limit frequency of transfer, and consideration of poverty rates in assignment of project-based vouchers – The Housing Authority has taken many measures to expand housing opportunity, including bi-annual FMR studies that result in increased payment standards, regional payment standards that allow greater subsidy in more expensive neighborhoods, lengthy voucher search times, unlimited moves and transfers, and incentives for PBV units in low poverty areas including higher scores on PBV proposals in low poverty areas, and higher caps on the number of PBVs per project in low poverty areas.

**B.4** Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved.

**Not Applicable**

<p><b>B.5</b></p>	<p><b>Most Recent Fiscal Year Audit.</b></p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N  <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
<p><b>C. Other Document and/or Certification Requirements.</b></p>	
<p><b>C.1</b></p>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) have comments to the PHA Plan?</p> <p>Y N  <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p> <p>Resident Advisory Board members met to discuss the proposed Agency Plan, Administrative Plan, MTW Supplement and related materials, and were supportive of the proposed changes.</p>
<p><b>C.2</b></p>	<p><b>Certification by State or Local Officials.</b></p> <p><a href="#">Form HUD-50077-SL</a>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p><b>C.3</b></p>	<p><b>Civil Rights Certification/Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.</b></p> <p><a href="#">Form 50077-ST-HCV-HP</a>, <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i> must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p><b>C.4</b></p>	<p><b>Challenged Elements.</b> If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA’s response to the public.</p> <p>(a) Did the public challenge any elements of the Plan?</p> <p>Y N  <input type="checkbox"/> <input type="checkbox"/></p> <p>If yes, include Challenged Elements.</p>

<b>D.</b>	<b>Affirmatively Furthering Fair Housing (AFFH).</b>						
<b>D.1</b>	<p><b>Affirmatively Furthering Fair Housing.</b></p> <p><b>Provide a statement of the PHA’s strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.</b></p> <table border="1" data-bbox="180 537 1455 1268"> <tr> <td data-bbox="180 537 1455 573"><b>Fair Housing Goal:</b></td> </tr> <tr> <td data-bbox="180 573 1455 743"> <p><i><u>Describe fair housing strategies and actions to achieve the goal</u></i></p> <p><b>Not applicable. Per HUD instructions: “Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D.”</b></p> </td> </tr> <tr> <td data-bbox="180 772 1455 808"><b>Fair Housing Goal:</b></td> </tr> <tr> <td data-bbox="180 808 1455 978"> <p><i><u>Describe fair housing strategies and actions to achieve the goal</u></i></p> <p><b>Not applicable. Per HUD instructions: “Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D.”</b></p> </td> </tr> <tr> <td data-bbox="180 1008 1455 1043"><b>Fair Housing Goal:</b></td> </tr> <tr> <td data-bbox="180 1043 1455 1268"> <p><i><u>Describe fair housing strategies and actions to achieve the goal</u></i></p> <p><b>Not applicable. Per HUD instructions: “Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D.”</b></p> </td> </tr> </table>	<b>Fair Housing Goal:</b>	<p><i><u>Describe fair housing strategies and actions to achieve the goal</u></i></p> <p><b>Not applicable. Per HUD instructions: “Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D.”</b></p>	<b>Fair Housing Goal:</b>	<p><i><u>Describe fair housing strategies and actions to achieve the goal</u></i></p> <p><b>Not applicable. Per HUD instructions: “Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D.”</b></p>	<b>Fair Housing Goal:</b>	<p><i><u>Describe fair housing strategies and actions to achieve the goal</u></i></p> <p><b>Not applicable. Per HUD instructions: “Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D.”</b></p>
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# Santa Cruz County Housing Choice Voucher Administrative Plan 2023

## Overview of Modifications

Text Underlined in Blue is new

Text in ~~Red Strikethrough~~ is deleted

Item #	Sec #	Pg #	Section Title	Proposed Wording	Explanation
1	I	3	Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List	<p><b>Selecting Applicants from the Waiting List</b></p> <p><del>Additionally, any over-income families residing in Public Housing upon conversion may be added to the waiting list and admitted to the Housing Choice Voucher program if they become income eligible within two years of the conversion. These will be considered special admissions.</del></p>	No longer applicable, as we are now more than 2 years past the public housing conversion date.
2	I	4	Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List	<p><b>Number of Waiting Lists</b></p> <p>The Housing Authority maintains a combined waiting list for the Santa Cruz County Housing Choice Voucher Program (HCV), the Moderate Rehabilitation Program, and for some units of the Project-Based Voucher Program that do not have site-based waiting lists. (See exceptions for Special Programs in Section III.) Additionally, the Housing Authority maintains a separate waiting list for the Housing Choice Voucher Program for the Cities of Hollister and San Juan Bautista. <u>Should a household (a) come up on both waiting lists at the same time or (b) is housed in the program and comes up on the waiting list, the household is entitled to only one voucher. At no time shall a household be permitted more than one active voucher.</u></p>	Addresses situations where a household comes up on both waiting lists at the same time or is already housed in the Section 8 program and comes up on the waiting list. Proposed wording clarifies that households cannot have more than one active voucher at the same time.
3	I	5	Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List	<p><b>Waiting List Conditions</b></p> <p><u>Pippin Orchards Apartments</u>  <del>23-25</del> PBV units- lottery number on the <u>HCV</u> waiting list</p> <p><del>2 PBV units for homeless young adults with disabilities—referrals from Encompass Community Services</del></p> <p><u>Sunrise Senior Apartments</u>  Applications <del>received in the first two weeks of opening will be randomized in a lottery. Subsequent applications</del> will be processed based on date the application is received.</p>	<p>2 PBV units at Phippen had been designated for youth participating in a YHDP grant, which has since ended. Upon turnover, these units will be available to top applicants on the HCV waiting list.</p> <p>Sunrise Senior apartments waiting list is no longer in</p>

Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications

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					the first two weeks of opening, so unnecessary wording has been removed.
4	I	6	Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List	<p><b>Disabled and Medically Vulnerable Homeless Persons (DMV)</b>  Housing Matters, <u>using</u> <del>[using prioritization through Smart Path, the Coordinated Entry System for persons experiencing homelessness, administered by the Continuum of Care (CoC), (as administered by the County Human Services Department, Housing for Health Division)]</del> provides s-referrals for <u>homeless</u> persons who meet all of the following criteria:</p> <p>a) Disabled as defined by HUD at 24CFR 5.403.</p> <p>b) Medically vulnerable as <del>defined</del> <u>determined</u> by <del>a Homeless Action Partnership approved Vulnerability Index.</del> <u>Continuum of Care prioritization policies.</u></p>	Effective December 30, 2022, the Smart Path Coordinated Entry System is no longer available for assessment and referral to housing resources. Housing for Health (H4H) Division staff within the Human Services Department at the County of Santa Cruz have developed a redesign of the Coordinated Entry System process for the Continuum of Care (CoC).
5	I	8	Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List	<p><b>Mainstream Vouchers</b>  <u>The temporary Mainstream Voucher preference, established in 2021 for Housing Authority</u> <del>has established a temporary Mainstream Voucher preference of up to 75 vouchers for</del> non-elderly persons with disabilities who <del>were</del> <u>are</u> at high-risk of severe COVID--19 disease and <del>were</del> <u>are</u> staying in time-limited shelters in Santa Cruz County, <del>has been ended as all of those shelters have been closed.</del></p> <p><del>Referrals will be provided by the Human Services Department (HSD) Housing for Health Division using the SCC COVID-19 shelter and Smart Path data. HSD will provide the applicants with supportive services and housing navigation assistance. The COVID-19 Mainstream Voucher preference will automatically expire 180 days after the Governor lifts the state of emergency for California. Once the temporary waiting list preference expires, all Mainstream Vouchers will be available to eligible waiting list applicants.</del></p> <p><del>Additionally, to the extent that any homeless targeted referral voucher programs become fully utilized during the COVID-19 pandemic, the Housing Authority</del></p>	The SCC COVID-19 time-limited shelters have all been closed. This voucher preference is no longer applicable.

# Santa Cruz County Housing Choice Voucher Administrative Plan 2023

## Overview of Modifications

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				<p><del>may issue Mainstream Vouchers to Mainstream eligible homeless persons referred for other voucher programs to avoid a delay in their housing placement. This temporary authority will automatically expire 180 days after the Governor lifts the state of emergency for California.</del></p>	
6	I	9	<p>Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List</p>	<p><u>Graduates of the Continuum of Care (CoC) Shelter Plus Care- (S+C), Youth Homeless Demonstration Program (YHDP) Permanent Supportive Housing (PSH) Programs,-) Program</u> and Family Unification Program (FUP) Youth in Project Based Voucher units.</p> <p><del>A program known as New Roots is a partnership between the Housing Authority and Encompass Community Services to provide supportive services and housing to homeless youth ages 18-24 with disabilities.</del></p> <p><del>The Housing Authority may graduate Youth Homeless Demonstration Project participants when these four conditions apply: 1.) The young adult has been stably housed for two or more years. 2.) The Case Manager agrees that the young adult has sufficiently benefitted from supportive services. 3.) The young adult is in good standing with the Housing Authority. 4.) There are vouchers/funding available. The Housing Authority may transfer the young adult to regular HCV so “younger” youth can have access to the permanent supportive housing.</del></p>	<p>The Youth Homelessness Demonstration Program “New Roots” Permanent Supportive Housing Program has been replaced by a Rapid Rehousing program and transferred to a new provider, Covenant House, per recommendation and approval of the local Continuum of Care and with HUD approval.</p>
7	I	10	<p>Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List</p>	<p><u>Targeting</u> Notwithstanding the above, if necessary to meet the HUD <u>MTW</u> statutory requirement that 75% of newly admitted families in any fiscal year be families who are <del>extremely</del>-<u>very</u> low-income (incomes not exceeding <del>30</del><u>50</u>% of area median income), the Housing Authority retains the right to select <del>extremely</del>-<u>very</u> low-income families ahead of other eligible families on an as-needed basis to ensure the HUD <u>MTW</u> income targeting requirement is met.</p>	<p>Aligning with MTW Statutory Requirements.</p>
8	II	11	<p>Issuing or Denying Housing Choice Vouchers, Term of the Housing</p>	<p>All Housing Choice Vouchers are issued with an initial term of at least 60 days. One or more extensions of at least an additional 60 days will be considered. <del>Extensions may be granted</del></p>	<p>Voucher extensions are granted to all eligible voucher holders as a courtesy, without</p>

# Santa Cruz County Housing Choice Voucher Administrative Plan 2023

## Overview of Modifications

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			Choice Voucher, and Extensions or Suspension of the Term	<del>1. If voucher holders provide proof that despite a diligent effort, they could not find a unit suitable to their needs; or                  In special cases only, such as a large family, a “special needs” family, hospitalization or drug rehabilitation, death in the family, etc.</del>	consideration of search efforts or special circumstances.
9	III	12	Special Purpose Programs	<u>Veterans Affairs Supportive Housing – VASH</u> <u>Upon HUD approval, the Housing Authority will operate HUD-VASH in accordance with MtW administrative flexibilities that are not otherwise in conflict with the HUD-VASH Operating Requirements.</u>	Added wording to clarify that the Housing Authority will seek to apply MTW waivers and flexibility to the HUD VASH program.
10	III	12	Special Purpose Programs	<u>Family Unification Program – Youth Vouchers</u> <u>Youth will also be identified through the county Coordinated Entry System.</u> <del>The Santa Cruz County Consortium of Care (CoC), titled Homeless Action Partnership, launched the Coordinated Entry System, titled Smart Path to Housing and Health. The Smart Path lead agency is the County HSD. They will use it to assist in identifying youth who were previously on a child welfare caseload and may be eligible for FUP.</del>	Effective December 30, 2022, the Smart Path Coordinated Entry System is no longer available for assessment and referral to housing resources. Housing for Health (H4H) Division staff within the Human Services Department at the County of Santa Cruz have developed a redesign of the Coordinated Entry System process for the Continuum of Care (CoC).
11	III	12-13	Special Purpose Programs	<u>Family Unification Program – Youth Vouchers</u> <u>Youth who first leased a unit with a FUP/FYI voucher after December 27, 2020 the provisions of Fostering Stable Housing Opportunities (FSHO) apply. FSHO provides a 24-month extension of voucher assistance for:</u> <u>1. FUP/FYI youth who are participating in a Family Self-Sufficiency (FSS) Program under Section 23 of the U.S. Housing Act or an MTW self-sufficiency program.</u> <u>a) _____ If the youth is offered an FSS slot during their first 36 months of FUP/FYI assistance, the</u>	Fostering Stable Housing Opportunities (FSHO) extension of assistance for FUP-Youth participants, and expansion of how to qualify for extension if not enrolled in FSS. Also provides for statutory exceptions.



# Santa Cruz County Housing Choice Voucher Administrative Plan 2023

## Overview of Modifications

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youth must participate in the FSS program to receive an extension of assistance.

b) If the youth is offered an FSS slot after the 36-month mark, the youth may choose to accept the FSS slot or decline the slot and meet the education, workforce development, or employment requirement instead.

2. FUP/FYI youth who were unable to enroll in FSS but engaged in education, workforce development, or employment, or employment activities for at least 9 months of the 12-month period preceding the extension. The youth is considered to be unable to enroll in FSS if the youth has not been offered an FSS slot during the first 36 months of receiving FUP/FYI assistance.

a) The youth must have engaged in at least one of the following activities for not less than 9 months of the 12-month period preceding each extension.

i. Education:

1. The youth was engaged in obtaining a “recognized postsecondary credential” or a “secondary school diploma or its recognized equivalent;” or

2. The youth was enrolled in an “institution of higher education” a “proprietary institution of higher education,” or a “postsecondary vocational institution” as defined in the Higher Education Act.

ii. Workforce Development: The youth was participating in a career pathway, as such term is defined in section 3 of the Workforce Innovation and Opportunity Act (WIOA).

iii. Employment: The youth was employed.

~~3.~~FUP/FYI youth who meet one of the statutory exceptions:

a) Are responsible for the care of a dependent child under the age of 6 or for the care of an incapacitated person;

b) Are regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program; or

c) Are incapable of complying with the requirement to participate in an FSS program or engage in education, workforce development, or employment activities, as applicable, due to a documented medical condition.

These changes allow more youth with FUP-Y vouchers to extend their time limited assistance.

# Santa Cruz County Housing Choice Voucher Administrative Plan 2023

## Overview of Modifications

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12	III	13	Special Purpose Programs	<p><u>Family Unification Program</u>  <del>Once a family has been certified as eligible and accepted into the Family Unification Program, they will attend an orientation session provided by the Housing Authority, during which Section 8 procedures and regulations will be explained in detail.</del></p>	Orientation sessions may now be conducted remotely. Service providers are not required to attend.
13	III	15	Special Purpose Programs	<p><u>Medicaid Waiver Program</u>  <del>Once an individual and/or family has been certified as eligible and accepted into the Medicaid Waiver Program, they, or their designated representative, will attend an orientation session provided by the Housing Authority, during which Section 8 procedures and regulations will be explained in detail.</del></p>	Orientation sessions may now be conducted remotely. Service providers are not required to attend.
14	III	16	Special Purpose Programs	<p><u>Emergency Housing Vouchers</u>  <u>Upon HUD approval, the Housing Authority will operate EHV in accordance with MTW administrative flexibilities that are not otherwise in conflict with the EHV Operating Requirements.</u></p>	Added wording to clarify that the Housing Authority will seek to apply MTW waivers and flexibility to the HUD EHV program.
15	IV	16	Occupancy Policies	<p><u>Definition of a Family</u>  A family is a person or group of people related by blood, marriage, adoption or affinity that live together in a stable family relationship. Furthermore, the Housing Authority has adopted HUD’s definition of “family” as defined in <a href="#">24 CFR 5.403</a>. This definition of family includes single individuals, <a href="#">single persons who are youth</a>, as well as groups of people residing together, regardless of actual or perceived sexual orientation, gender identity, or marital status.</p>	HUD FSHO requires an update to clarify that single persons who are youth are included in the definition of “family”.
16	V	19	Encouraging Participation by Owners Outside Areas of Low-Income and Minority Concentration	<p><u>Property Agent Incentive Programs</u>  <u>The County of Santa Cruz has provided funding to provide initial lease-up funds for property agents (owners/managers) renting to households either at-risk-of or currently experiencing homelessness. The qualifying special population tenant-based voucher/subsidy programs for this incentive include: Disabled Medically Vulnerable (DMV), Family Unification Program (FUP), Welfare to Work (WtW), Homeless Families with Minor Children (HFMC), Veterans Affairs Supportive Housing (VASH), Mainstream COVID, Stability Vouchers, and Shelter Plus Care. Additional homelessness designated vouchers may be included upon approval by the County.</u></p> <p><u>All local jurisdictions within the County of Santa Cruz have provided funding</u></p>	The Property Agent Incentive Program is funded by the County to provide move-in bonuses and by all jurisdictions in the County to provide risk mitigation funds for property owners renting to households in qualifying programs.

# Santa Cruz County Housing Choice Voucher Administrative Plan 2023

## Overview of Modifications

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				<u>for a risk mitigation fund which is available to property agents within the County of Santa Cruz regardless of voucher type utilized by the tenant.</u>	
17	XI V	27	The Process for Establishing and Revising Payment Standards	<u>Upon HUD Approval of the Housing Authority’s MTW Supplement, the Housing Authority may utilize payment standards that fall between 80%-120% FMR.</u>	The Housing Authority is requesting an MTW waiver to allow greater local flexibility in the establishment of payment standards.
18	X VI I	31	Project Based Voucher Program	<b>3. Project-Based Vouchers Per Complex (Income-Mixing Requirements or Project Cap)</b> <u>Upon HUD Approval of the Housing Authority’s MTW Supplement, the Housing Authority may, at their discretion, raise the PBV cap within a project to support units in excess of the 25 percent or 25-unit Project Cap in accordance with the MTW waiver approved by HUD.</u>	The Housing Authority is requesting an MTW waiver to up to 100% of units at a given project to be project-based.
19	X VI I	33	Project Based Voucher Program	<b>8b. Non-Competitive Selection Process</b> a) The Housing Authority may provide PBV assistance to <u>a project in which the Housing Authority improve, develop, or replace units in a public housing property or property that it controls</u> or has an ownership interest <u>or over which the Housing Authority has control</u> , <del>in</del> without using a competitive process, <u>but only in cases in which the Housing Authority is engaged in an initiative to improve, develop, or replace a public housing property or site.</u>	Reworded to clarify that PBVs may be awarded non-competitively only for former Public Housing properties.
20	X VI I	33- 34	Project Based Voucher Program	<b>8c. Competitive Selection Process for PBV Award to PHA-Owned Units.</b> If the Housing Authority wishes to project-base units at a property in which it has an ownership interest, <u>and the proposed project does not meet the Non-Competitive Selection Process criteria</u> , the proposal in question will be scored by designated Housing Authority staff.  <u>Upon HUD Approval of the Housing Authority’s MTW Supplement, the Housing Authority will utilize a HUD waiver to:</u> a) <u>eliminate the independent third-party review process in the award of PBV’s to properties owned or controlled by the Housing Authority</u> b) <u>eliminate the third-party rent reasonableness process at properties that the Housing Authority owns, manages, or controls, such that rent reasonableness would be conducted by Housing Authority staff; and</u>	Reworded to clarify procedure for considering proposals to project base PHA owned or controlled properties that do not meet criteria for non-competitive selection, including how that process would change if MTW waiver is approved.

**Santa Cruz County Housing Choice Voucher Administrative Plan 2023**

**Overview of Modifications**

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				c) <u>eliminate third-party inspections of properties owned, managed, or controlled by the Housing Authority such that inspections would be conducted by Housing Authority staff.</u>	
21	X VI I	35	Project Based Voucher Program	<p><b>11. Waiting List and Tenant Selection</b></p> <p><u>Upon approval of the Authority’s MTW Supplement, the Housing Authority will allow moves from PBV units with an HCV after 12 months for all families who have come from the HCV waiting list. However, for families who did not come from the HCV waiting list (including households originating from a site-based waiting list or referral-based households), the Housing Authority will require households to reside in the PBV unit for 24 months before being eligible to transfer with an HCV. Exceptions may be made on a case-by-case basis for good cause.</u></p>	Added wording to reflect MTW waiver regarding PBV portability.
22	XI X	37	Interim Redeterminations of Family Income and Composition	<p><b><u>Alternate Reexamination Schedule</u></b></p> <p><u>Upon HUD Approval of the Housing Authority’s MTW Supplement, the Housing Authority will utilize a HUD waiver to conduct reexaminations for fixed-income families at least every three years and conduct reexaminations for all remaining families at least every two years.</u></p> <p><u>In between reexaminations, the HACSC will conduct interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events 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. HACSC will reserve the right to conduct reexaminations more frequently either for administrative or financial reasons. Additional details regarding the implementation of alternate reexamination schedules, qualifying events for interim adjustments and application of new payment standards will be available on the Housing Authority website and will be communicated to all impacted tenants at the time of their certification.</u></p>	Added wording to reflect MTW flexibility associated with alternate reexamination waiver.

# ADMINISTRATIVE PLAN

## Section 8 Housing Choice Voucher Program

### Housing Authority of the County of Santa Cruz



The Administrative Plan contains those policies of the Housing Authority of the County of Santa Cruz that have been adopted by the Board of Commissioners, as required by [24CFR 982.54](#), governing the establishment and administration of a waiting list, the issuance of Section 8 Housing Choice Vouchers, and overall program administration. The Housing Authority reserves the right to amend the Administrative Plan.

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**Draft January 2023**

*Please note that the electronic copy of this document contains hyperlinks to applicable HUD regulations and other references. An electronic copy of this document is available at the following website: <http://www.hacosantacruz.org/agency.htm>. If you cannot access the electronic copy of this document, copies of the referenced links and regulations will be available upon request.*

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## I. Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List

### Selecting Applicants from the Waiting List

All program admissions, except for special programs (described in Section III), and special admissions, must come from the applicable waiting list. Special admissions, defined by Housing and Urban Development (HUD) in 24 [CFR 982.203](#) consist of HUD awards that are targeted for families living in specified units. Such HUD awards may include families displaced because of demolition or disposition of a public housing unit, families residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project, or other circumstances as determined by HUD.

When a waiting list is open, the Housing Authority accepts pre-applications from all interested persons and places their name on the waiting list in accordance to that waiting list's policy (either random number sequence or lottery).

When a waiting list is closed to the general public, the Housing Authority may accept direct referrals for applicants that are eligible for preferences or special programs, as defined below. In all cases, the Housing Authority will endeavor to serve preference or special program eligible applicants already on the waiting list before accepting referrals for new preference or special program eligible applicants. Additionally, while a waiting list is closed, the Housing Authority will add applicants to the waiting list when required to do so by HUD, including but not limited to instances where eligible households are residing in units newly accepted into the Project-Based Voucher Program.

Upon the close-out of the Consolidated Annual Contributions Contract (CACC) with HUD for Low Income Public Housing, any remaining active applicants on the Low-Income Public Housing Waiting List will be contacted and provided with an opportunity to be added to the end of the Santa Cruz County Housing Choice Voucher Waiting List. Such applicants would receive preference for the former Public Housing units as units become available. ~~Additionally, any over-income families residing in Public Housing upon conversion may be added to the waiting list and admitted to the Housing Choice Voucher program if they become income eligible within two years of the conversion. These will be considered special admissions.~~

Except as otherwise stated, applicants are selected based on random number sequence or lottery. As applicants approach the top of a waiting list, full applications are issued. Those applicants, who have submitted a complete application and are certified eligible for Housing Choice Voucher assistance, are issued vouchers based on the date that eligibility was determined, in accordance with income targeting requirements.

All households who complete a pre-application to place their name on the waiting list are informed in writing of their responsibility to report any change in address promptly.

Pre-applications (those on the waiting list) will be cancelled from the waiting list if

1. they do not respond to required written correspondence within the given time period; and
2. mail sent to their last reported address is returned by the post office.

Exceptions for persons with disabilities: Exceptions will be granted for pre-applicants and applicants with disabilities, as defined in [24 CFR 5.403](#) who were not able to respond within the time frame due to

their disability. Exceptions may also be granted for hospitalization of sufficient duration to be the cause of the lack of response.

The Housing Authority will consider requests for reinstatement on the waiting list. The Housing Authority will consider the date of most recent contact, the length of time between cancellation and reinstatement request, disability status, homelessness or lack of access to mail, and other factors.

The Housing Authority may conduct voucher issuance briefings remotely via telephone or video conferencing.

Number of Waiting Lists

The Housing Authority maintains a combined waiting list for the Santa Cruz County Housing Choice Voucher Program (HCV), the Moderate Rehabilitation Program, and for some units of the Project-Based Voucher Program that do not have site-based waiting lists. (See exceptions for Special Programs in Section III.) Additionally, the Housing Authority maintains a separate waiting list for the Housing Choice Voucher Program for the Cities of Hollister and San Juan Bautista. [Should a household \(a\) come up on both waiting lists at the same time or \(b\) is housed in the program and comes up on the waiting list, the household is entitled to only one voucher. At no time shall a household be permitted more than one active voucher.](#)

Medicaid Waiver

The Housing Authority has established a waiting list for applicants who are eligible for a Medicaid Waiver and are referred by agencies with an active memorandum of understanding (MOU) with the Housing Authority. Available vouchers are issued based on date of placement on the waiting list.

Site-Based Waiting Lists for Project Based Developments

Project-Based Voucher sites may have separate site-based waiting lists, as listed below. The Housing Authority will consider the establishment of additional site-based waiting lists for new Project-Based Voucher contracts on a case-by-case basis. Units in all other Project Based Voucher developments are offered based on placement on the Housing Choice Voucher waiting list. Existing Housing Choice Voucher holders may transfer into a Project-Based Unit in developments that utilize a combined waiting list. Such voucher holders will be given preference over waiting list applicants.

<b>PBV Development</b>	<b>Location</b>	<b>Waiting List Conditions</b>
<u>El Centro</u> 44 PBV units – senior housing	1110 Pacific Avenue Santa Cruz	44 units - Date of placement on the waiting list
<u>Resetar Residential Hotel</u> 53 PBV units	15 West Lake Avenue Watsonville	45 PBV units - date of placement on the waiting list  8 HUD VASH PBV units - referrals from Veterans Administration



<b>PBV Development</b>	<b>Location</b>	<b>Waiting List Conditions</b>
<u>St. Stephens Senior Housing</u> 39 PBV units – senior housing	2510 Soquel Avenue Santa Cruz	29 PBV units - lottery number on the waiting list  5 HUD VASH PBV units - referrals from Veterans Administration  5 PBV units for frail elderly – referrals from Health Projects Center
<u>Pippin Orchards Apartments</u> 31 PBV units	56 Atkinson Lane Watsonville	<del>23-25</del> PBV units- lottery number on the <a href="#">HCV</a> waiting list  6 PBV units for persons with disabilities who will most benefit from supportive services – referrals from Housing Choices Coalition  <del>2 PBV units for homeless young adults with disabilities—referrals from Encompass Community Services</del>
<u>Sunrise Senior Apartments</u> 48 PBV units – senior housing	580 Westside Blvd. Hollister	43 PBV units - Sunrise Senior Apartments will use a site-based waiting list. Applications <del>received in the first two weeks of opening will be randomized in a lottery.</del> Subsequent applications will be processed based on date the application is received.  5 HUD VASH PBV units - referrals from Veterans Administration
<u>Water Street Apartments</u> 33 PBV units	708 Water Street Santa Cruz (City)	25 PBV units - lottery number on the HCV waiting list  8 PBV units for persons with disabilities who will most benefit from supportive services – referrals from Housing Choices Coalition
<u>San Andreas</u> 4 PBV units – farmworker housing	295 San Andreas Road Watsonville	4 PBV units- the Housing Authority may accept referrals of eligible families from Mid-Pen Housing’s waiting list.
<u>Villas del Paraiso</u> 14 PBV units – farmworker housing	340 Paraiso Drive Watsonville	14 PBV units - The Housing Authority may accept referrals of eligible families from Mid Pen Housing’s waiting list.
<u>Jardines del Valle</u> 5 PBV units	76 Murphy’s Crossing Road Santa Cruz County (unincorporated area)	5 PBV units - The Housing Authority may accept referrals of eligible families from Mid-Pen Housing’s waiting list
<u>Pajaro Valley Shelter Services</u> 4 PBV units	Scattered sites	4 units for formerly homeless families referred by Pajaro Valley Shelter Services

## Waiting List Preferences for Designated Groups on the Housing Choice Voucher Waiting List

Waiting list preferences are described below. All preferences are verified. These preferences will not have the purpose or effect of delaying or otherwise denying admission to the program based on the race, color, ethnic origin, gender, gender identity, sexual orientation, religion, disability, or age of any member of an applicant family. Unless otherwise stated, waiting list preferences apply to the Santa Cruz County Housing Choice Voucher Waiting List. All preferences adopted by the Housing Authority are based on local housing needs and priorities as determined by the Housing Authority. With the exception of these waiting list preferences, all other applicants on the Housing Choice Voucher waiting lists will be assisted by lottery or random number sequence.

### 1. Live/Work Residency Preference

The Housing Authority has established a partial live/work residency preference, such that at least 75% of the families selected from the waiting list will either currently live or work in the jurisdiction of the waiting list. The residency preference is applicable to the Santa Cruz County Housing Choice Voucher Waiting List (for households with a head of household, spouse or registered domestic partner that lives/works in Santa Cruz County) and the Hollister/San Juan Bautista Housing Choice Voucher Waiting List (for households with a head of household, spouse or registered domestic partner that lives/works in San Benito County.) The residency preference ensures that the majority of the Housing Choice Vouchers, which have been awarded to the Housing Authority by HUD to serve our jurisdiction, will be made available to those who live or work in the jurisdiction.

### 2. Disabled and Medically Vulnerable Homeless Persons (DMV)

The Housing Authority has adopted a limited waiting list preference for disabled and medically vulnerable homeless persons. Housing Matters, ~~using~~ ~~{using prioritization through Smart Path,~~ the Coordinated Entry System ~~for persons experiencing homelessness, administered by the Continuum of Care (CoC), (as administered by the County Human Services Department, Housing for Health Division)}~~ provides ~~s~~-referrals for homeless persons who meet all of the following criteria:

- a) Disabled as defined by HUD at 24CFR 5.403.
- b) Medically vulnerable as ~~defined~~ determined by ~~a Homeless Action Partnership approved Vulnerability Index.~~ Continuum of Care prioritization policies.
- c) Homeless as defined by HUD per the HEARTH Act in Federal Register / Vol. 76, No. 233.
- d) Have established a case management plan with a provider of housing supportive services within Santa Cruz County.

A maximum of 150 households may be assisted by this preference program at any given time. The Housing Authority may continue to accept referrals for persons eligible for this preference while the waiting list is closed. DMV voucher holders who have been stably housed for 2 years may “graduate” into the regular voucher program if they are in good standing with the program and there are vouchers/funding available. At that time, the DMV voucher would be available for the next eligible family referred to the Housing Authority.

### 3. Homeless Families with Minor Children

The Housing Authority has adopted a limited waiting list preference for homeless families with minor children. The preference is for applicants already on the Santa Cruz County Section 8 waiting list who meet the following criteria:

- a) Homeless as defined by HUD per the HEARTH Act in Federal Register / Vol. 76, No. 233.
- b) Head of household or spouse lives or works in Santa Cruz County

- c) Head of household or spouse has at least one minor child residing with household

The Housing Authority will identify potentially eligible families who are already on the Santa Cruz County Section 8 waiting list. Eligible families will be referred to the Human Services Department (HSD) of the County of Santa Cruz. HSD will provide an appropriate level of case management to the homeless family, including assistance with the voucher eligibility application and paperwork and rental search assistance. Although the homeless family is not required to accept case management, HSD will offer case management for at least one year.

A maximum of 40 households may be assisted by this preference program at any given time. If there are no eligible homeless families that can be identified on the Santa Cruz County Housing Choice Voucher waiting list, or that respond to Housing Authority requests for application, the Housing Authority may accept referrals for persons eligible for this preference. Homeless family preference voucher holders who have been stably housed for 2 years may “graduate” into the regular voucher program if they are in good standing with the program and there are vouchers/funding available. At that time, the homeless family preference voucher would be available for the next eligible family.

4. Vulnerable Homeless Persons in San Benito County

The Housing Authority is working with San Benito County to develop a limited waiting list preference for persons who are experiencing homelessness or at risk of homelessness and have other vulnerability factors. This preference may be implemented following the establishment of a formal agreement with San Benito County and/or a lead service agency identified by San Benito County. The preference will be limited to 24 households, with a maximum of 2 new households per month.

5. Homeless Families with Minor Children for Brommer Street Supportive Housing Units

The Housing Authority has adopted a limited waiting list preference for homeless families with minor children for residency of six supportive housing units at the Brommer Street Supportive Housing Program. The Housing Authority will accept direct referrals of homeless families with minor children from the County of Santa Cruz Human Services Department (HSD) in accordance with the MOU.

6. Disabled Transitioning from Institutions (DTI)

The Housing Authority has adopted a limited waiting list preference for disabled persons transitioning from institutions into community-based settings, and persons at serious risk of institutionalization for persons who meet the following criteria:

- a) Disabled as defined by HUD at [24CFR 5.403](#).
- b) Transitioning Individuals must either be currently living in, or at serious risk of being admitted to, a qualified institution at the time of referral to the Housing Authority or must have been living in a qualified institution no more than 90 days prior to the referral to the Housing Authority.

On a case-by-case basis, the Housing Authority may issue a DTI voucher to an individual who is at imminent risk of death or who will not be able to receive lifesaving medical care without housing. Such cases will be approved by the Executive Director.

Qualifying institutions include intermediate care facilities, licensed residential facilities, and specialized institutions that care for the intellectually disabled, developmentally disabled, physically disabled or mentally ill. This definition does not include board and care facilities (such as adult homes, adult day care, and adult congregate living).

Referral Agency / Supportive Services – Qualifying individuals must be referred by a service provider agency that has entered into a memorandum of understanding (MOU) with the Housing Authority. The service provider will document and certify the eligibility criteria above (disability status and transition from qualifying institution). The service provider must also certify that the individual is ready to transition out of an institutional environment and must have a case management plan to assist the individual with the transition. Additionally, the service provider must assist the individual with all aspects of the Housing Choice Voucher program, including completing applications, obtaining documentation of income, attending Housing Authority appointments with the client, and assisting the client in finding and maintaining housing.

A maximum of 12 households may be assisted by this preference program at any given time. The Housing Authority may continue to accept referrals for persons who would be eligible for this preference while the waiting list is closed. DTI voucher holders who have been stably housed for 2 years may “graduate” into the regular voucher program if they are in good standing with the program and there are vouchers/funding available. At that time, the DTI voucher would be available for the next eligible family referred to the Housing Authority.

7. Mainstream Vouchers

The Housing Authority has received 240 Mainstream Vouchers. These Mainstream Vouchers are available to waiting list applicants that meet the following eligibility criteria:

The Household must include a family member between the age of 18 and 62 who is a person with a disability.

Assistance will be offered to applicants eligible for the program based on lottery or random sequence number. If the Housing Choice Voucher waiting lists do not contain sufficient numbers of eligible households, the Housing Authority may accept referrals for persons eligible for this preference. Eligible persons include those who are transitioning from institutions, at serious risk of institutionalization, homeless or at risk of homelessness.

~~The temporary Mainstream Voucher preference, established in 2021 for Housing Authority has established a temporary Mainstream Voucher preference of up to 75 vouchers for non-elderly persons with disabilities who were at high-risk of severe COVID-19 disease and were staying in time-limited shelters in Santa Cruz County, has been ended as all of those shelters have been closed. Referrals will be provided by the Human Services Department (HSD) Housing for Health Division using the SCC COVID 19 shelter and Smart Path data. HSD will provide the applicants with supportive services and housing navigation assistance. The COVID 19 Mainstream Voucher preference will automatically expire 180 days after the Governor lifts the state of emergency for California. Once the temporary waiting list preference expires, all Mainstream Vouchers will be available to eligible waiting list applicants.~~

~~Additionally, to the extent that any homeless targeted referral voucher programs become fully utilized during the COVID 19 pandemic, the Housing Authority may issue Mainstream Vouchers to Mainstream eligible homeless persons referred for other voucher programs to avoid a delay in their housing placement. This temporary authority will automatically expire 180 days after the Governor lifts the state of emergency for California.~~

8. Graduates of the Continuum of Care (CoC) Shelter Plus Care (S+C), ~~Youth Homeless Demonstration Program (YHDP) Permanent Supportive Housing (PSH) Programs,~~ Program and Family Unification Program (FUP) Youth in Project Based Voucher units.

The Housing Authority has been awarded competitive grants for permanent supportive housing for people experiencing chronic homelessness. A program known as Shelter Plus Care is a partnership between the Housing Authority and the County Health Services Agency to provide wrap-around services from outreach and eligibility to housing stabilizing services. ~~A program known as New Roots is a partnership between the Housing Authority and Encompass Community Services to provide supportive services and housing to homeless youth ages 18-24 with disabilities.~~

S+C recipients who have been stably housed for 2 years may “graduate” into the regular voucher program if they are in good standing with the program and there are vouchers/funding available. At that time, the S+C assistance would be available for the next eligible family referred to the Housing Authority by the Health Services Agency.

~~The Housing Authority may graduate Youth Homeless Demonstration Project participants when these four conditions apply: 1.) The young adult has been stably housed for two or more years. 2.) The Case Manager agrees that the young adult has sufficiently benefitted from supportive services. 3.) The young adult is in good standing with the Housing Authority. 4.) There are vouchers/funding available. The Housing Authority may transfer the young adult to regular HCV so “younger” youth can have access to the permanent supportive housing.~~

The Housing Authority provides a preference within the HCV voucher program for Family Unification Program Youth in Project Based Voucher units, wherein they may graduate into the regular HCV voucher program when they have reached the maximum period of assistance under FUP and are in good standing with the program.

9. Admission of Low-Income Families

Low-income families (up to 80% median household income) may be admitted to the program if they are working families (defined as a family in which the head, spouse or sole member is employed). In addition, low-income families in which the head and spouse or sole member is age 62 or over or is a person with disabilities may be admitted under this section. Such low-income families will not be admitted ahead of non-low-income families but will be placed on the waiting list according to the random number sequence lottery of their application.

10. Temporary Measures during Periods of Low Utilization Rate

During times of low voucher or funding utilization (under 97%), the Housing Authority may utilize the following measures:

- a) Lease In-Place Option. This preference will only be applicable to applicants already on the waiting list who currently live in the Housing Authority jurisdiction, reside in a unit that meets HQS standards, with a landlord who is willing to accept a voucher.
- b) Eviction Prevention. The Housing Authority may accept direct referrals from the Community Action Board of Santa Cruz County (CAB) of families at imminent risk of homelessness due to eviction for economic reasons. The Eviction Prevention preference will be limited to applicants on the HCV waiting list, and the preference will be limited to 24 vouchers.

### Targeting

Notwithstanding the above, if necessary to meet the HUD MTW statutory requirement that 75% of newly admitted families in any fiscal year be families who are ~~extremely~~very low-income (incomes not exceeding ~~30~~50% of area median income), the Housing Authority retains the right to select ~~extremely~~very low-income families ahead of other eligible families on an as-needed basis to ensure the HUD MTW income targeting requirement is met. This measure will only be taken if it appears the goal will not otherwise be met. To ensure this goal is met, the Housing Authority will monitor incomes of newly admitted families.

### Opening and Closing the Waiting list

When the Housing Authority opens a waiting list, the opening will be announced publicly on our website, on our waiting list phone line, in our lobby, in local newspapers of general circulation, and other appropriate media such as email and/or social media sites. The Housing Authority will affirmatively further fair housing by conducting strategic outreach through diverse community partners to inform the public when the waiting list opens.

The Housing Authority may accept applications by mail, via internet, by FAX and by other methods that encourage equal access and opportunity to apply for all persons, including those with disabilities.

The Housing Authority reserves the right to open and close waiting lists at any time.

### Changes to Head of Household or Family Members While on the Waiting List

While on the waiting list, the head of household may be changed to another family member under the following circumstances:

1. If the family splits into two or more families, the family containing the head of household retains placement on the waiting list.
2. If the head of household dies, another member can become the head of household if they provide verification of the death, and if they have the legal capacity to enter into a lease.
3. If the head of household no longer has the legal capacity to enter into a lease, another member can become the head of household if they provide verification of the incapacitation and if they have the legal capacity to enter into a lease.
4. If the head of household engages in criminal activity directly related to domestic violence, dating violence, sexual assault or stalking (known as Violence Against Women Act crimes – VAWA) against a household member or affiliated individual, another member of the household can become the head of household if they provide verification of VAWA. When a family break-up results from the occurrence of domestic violence, the PHA must ensure that the victim retains assistance. (See 24 CFR 982.315(a).)

The Housing Authority may consider additional exceptions on a case-by-case basis.

The “applicant family” is defined as those persons who were included in the full initial application for assistance and who meet the HUD definition of “family”.

Any household members whom the applicant family wishes to add after the initial eligibility determination must meet the criteria listed in Section XVIII of this Plan. Changes to family members will not be processed while applicants are on the waiting list. All changes will be processed at the time of the initial eligibility determination or thereafter.

## Selecting Applicants for the Moderate Rehabilitation Program

All vacant units under contract will be rented to eligible families referred by the Housing Authority from the Housing Choice Voucher waiting list.

## II. Issuing or Denying Housing Choice Vouchers, Term of the Housing Choice Voucher, and Extensions or Suspensions of the Term

All Housing Choice Vouchers are issued with an initial term of at least 60 days. One or more extensions of at least an additional 60 days will be considered. ~~Extensions may be granted~~

- ~~1. If voucher holders provide proof that despite a diligent effort, they could not find a unit suitable to their needs; or~~
- ~~2. In special cases only, such as a large family, a “special needs” family, hospitalization or drug rehabilitation, death in the family, etc.~~

The Housing Authority will provide written notice to the family when granting an extension. The number and duration of extensions may depend on a number of factors including market conditions and availability of vouchers / funding.

The Housing Authority will grant additional extensions on an individual case basis as a Reasonable Accommodation for Housing Choice Voucher holders with disabilities. Third party verification of disability and need for extension is required. The extension may be granted after the Housing Authority has received such verification from a doctor, other health care professional or a social worker with medical or professional knowledge of the person’s disability. If acceptable verification is not received within 60 days of the Housing Authority’s request, the extension may be denied.

See Section IV Occupancy Standards (Standards for denying admissions or terminating assistance) for information about denying assistance for applicants.

## III. Special Purpose Programs

Over time, HUD has awarded the Housing Authority with funding for specific voucher types to serve specific populations. In some instances, these special programs offer vouchers to eligible persons from the Housing Choice Voucher (HCV) waiting list. In other instances, vouchers are issued based on referrals from service providers. All special voucher programs are listed and described below. If special program vouchers are project based, the unique eligibility criteria described below will be preserved.

### Veterans Assisted Supportive Housing / VASH (433 vouchers)

The Department of Housing and Urban Development (HUD) and the Veterans Administration (VA) have partnered to create a program for homeless veterans. This program combines HUD Housing Choice Voucher rental assistance with the Department of Veterans Affairs case management and clinical services provided at its medical centers and in the community. Funding for this program is limited to housing authorities that partner with “eligible Veterans Affairs Medical Centers (VAMCs) or other entities as designated by the VA.”

VASH vouchers are not issued based on placement on Housing Authority waiting lists. Instead, referrals for eligible homeless veterans are provided by the Veterans Administration. The Housing Authority will administer the VASH program in accordance with HUD VASH rules and regulations, which may differ from the Housing Choice Voucher Program.

Upon HUD approval, the Housing Authority will operate HUD-VASH in accordance with MtW administrative flexibilities that are not otherwise in conflict with the HUD-VASH Operating Requirements.

Family Unification Program / FUP (218 vouchers)

Family Unification vouchers have been made available by HUD for this program. The Family Unification Program (FUP) vouchers are reserved for families for which lack of adequate housing is a primary factor in the imminent placement of their a child or children in out-of-home care or in the delay of discharge of a child or children to the family from out-of-home care, and for youth, 18-24 years old, who left foster care, or will leave foster care within 90 days, and are homeless or at risk of becoming homeless. To be considered for Family Unification assistance, families will be identified through the County Human Services Department (HSD).

Family Unification vouchers are not issued based on placement on the Housing Choice Voucher waiting list. Instead, HSD provides referrals to the Housing Authority based on comprehensive risk assessment and FUP-eligibility determination. HSD will provide written certification to the Housing Authority that a family or a youth qualifies as a FUP-eligible family or youth. A family will be certified as eligible if it is determined that (1) the children are at imminent risk of placement in out-of-home care or at risk of having their discharge to the family from out-of-home care delayed (2) the lack of adequate housing is a primary factor in the risk of placement or delay of discharge and (3) the family meets all other eligibility requirements for Section 8 assistance; youth will be certified as eligible by age, foster care history, and homelessness risk. Youth will also be identified through the county Ceordinated Eentry Ssystem. ~~The Santa Cruz County Consortium of Care (CoC), titled Homeless Action Partnership, launched the Coordinated Entry System, titled Smart Path to Housing and Health. The Smart Path lead agency is the County HSD. They will use it to assist in identifying youth who were previously on a child welfare caseload and may be eligible for FUP.~~ FUP Youth vouchers have a HUD imposed 36- month limit on rental assistance, excepting for the provisions under Fostering Stable Housing Opportunities (FSHO). Under HACSC's existing FUP-FSS demonstration program, FUP Youth voucher holders who enter into a HUD Family Self- Sufficiency contract may have their FUP Youth rental assistance extended for the life of the FSS contract up to five years, with the possibility of an extension up to two years.

Youth who first leased a unit with a FUP voucher after December 27, 2020 the provisions of Fostering Stable Housing Opportunities (FSHO) apply. FSHO provides a 24-month extension of voucher assistance for:

1. FUP youth who are participating in a Family Self-Sufficiency (FSS) Program under Section 23 of the U.S. Housing Act or an MTW self-sufficiency program.
  - a) If the youth is offered an FSS slot during their first 36 months of FUP assistance, the youth must participate in the FSS program to receive an extension of assistance.
  - b) If the youth is offered an FSS slot after the 36-month mark, the youth may choose to accept the FSS slot or decline the slot and meet the education, workforce development, or employment requirement instead.
2. FUP youth who were unable to enroll in FSS but engaged in education, workforce development, or employment, or employment activities for at least 9 months of the 12-month period preceding the extension. The youth is considered unable to enroll in FSS if the youth has not been offered an FSS slot during the first 36 months of receiving FUP/FYI assistance.
  - a) The youth must have engaged in at least one of the following activities for not less than 9 months of the 12-month period preceding each extension.
    - i. Education:



1. The youth was engaged in obtaining a “recognized postsecondary credential” or a “secondary school diploma or its recognized equivalent;” or
  2. The youth was enrolled in an “institution of higher education” a “proprietary institution of higher education,” or a “postsecondary vocational institution” as defined in the Higher Education Act.
- ii. Workforce Development: The youth was participating in a career pathway, as such term is defined in section 3 of the Workforce Innovation and Opportunity Act (WIOA).
  - iii. Employment: The youth was employed.

4.3.FUP youth who meet one of the statutory exceptions:

- a) Are responsible for the care of a dependent child under the age of 6 or for the care of an incapacitated person;
- b) Are regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program; or
- c) Are incapable of complying with the requirement to participate in an FSS program or engage in education, workforce development, or employment activities, as applicable, due to a documented medical condition.

Responsibilities for administering the Family Unification Program are as follows: The Housing Authority will be responsible wholly or in part for

1. accepting referrals from HSD;
2. sorting the HCV waiting list to identify applicants who may qualify;
3. certifying HCV voucher eligibility and issuing vouchers providing orientation to the Section 8 Housing Choice Voucher Program;
4. offering training to HSD and other HSD-subcontract agencies on HCV procedures;
5. convening regular meetings with HSD and the Consortium of Care (CoC) Homeless Action Partnership; and
6. approving rental agreements for FUP and processing HAP contracts.

The Human Services Department will be responsible wholly or in part for

1. seeking and identifying eligible families and making referrals to the Housing Authority;
2. certifying special program eligibility;
3. assisting in identifying and securing housing appropriate to the family’s size and needs;
4. offering training on HSD referral procedures to the Housing Authority and HSD- subcontractors; and
5. providing case management and some or all of the following supportive services:
  - a) child welfare and family reunification services
  - b) vocational training and educational assistance
  - c) childcare assistance
  - d) health, mental health, and substance abuse services
  - e) renter education
  - f) job search and placement assistance.

~~Once a family has been certified as eligible and accepted into the Family Unification Program, they will attend an orientation session provided by the Housing Authority, during which Section 8 procedures and regulations will be explained in detail.~~ All FUP families and youth will be offered the opportunity to join the Family Self Sufficiency program.

The HSD will be responsible for case management for the FUP Youth Family Self-Sufficiency (FSS) for the first 18 months from the start of the FSS Contract. Case Management is intended to assist the youth fulfill their FSS plan toward independence and self-sufficiency. HSD will be responsible for a Transitional Independent Living Plan developed with each FUP-Youth as well as providing basic life skills, counseling, providing assurances to property owners, job preparation, and educational advancement opportunities.

FUP recipients who have been stably housed for 2 years may “graduate” into the regular voucher program if they are in good standing with the program and there are vouchers/funding available. At that time, the FUP assistance would be available for the next eligible family referred to the Housing Authority by the Human Services Department.

#### Issuance as a Reasonable Accommodation

A Housing Choice Voucher may be issued as a reasonable accommodation to persons with disabilities who live in a unit owned or managed by the Housing Authority if

1. A doctor, other health care professional or a social worker with medical or professional knowledge of the person’s disability has verified the disability related housing need, and
2. there is not an acceptable unit available for the family in the Housing Authority owned or managed program, or the length of the wait for a vacancy of an acceptable unit is determined to be unreasonably long (at least one year).

#### Disabled Vouchers (138 vouchers)

HUD has made available vouchers for disabled applicants on the Housing Choice Voucher waiting list. These vouchers are issued to eligible applicants based on their waiting list preference status and random number sequence or lottery.

#### Medicaid Waiver Program (27 vouchers)

HUD has made available vouchers for persons participating in the Medicaid Home and Community Based Waiver Program. The Medicaid waiver vouchers are reserved for disabled persons, also covered under a waiver of Section 1915(c) of the Social Security Act, who are Medicaid-eligible at risk of being placed in intermediate care facilities. The voucher would allow them to be cared for in their homes and communities. These individuals are thereby assisted in preserving their independence and ties to family and friends at a cost no higher than that of institutional care.

Responsibilities for administering the Medicaid Waiver Program are as follows: The Housing Authority will be responsible wholly or in part for

1. certifying voucher eligibility
2. providing orientation with regards to the Section 8 Housing Choice Voucher Program
3. approving rental agreements

The local agencies administering 1915c waiver programs will be responsible wholly or in part for

1. seeking and identifying eligible individuals/families
2. certifying special program eligibility
3. assisting in identifying and securing housing appropriate to the household’s needs
4. providing case management

Medicaid Waiver vouchers are issued based on placement on the Medicaid Waiver waiting list. Eligible referrals are provided by social service agencies with a current MOU with the Housing Authority to provide referrals and services. Those referrals produce the Medicaid Waiver waiting list. ~~Once an individual and/or family has been certified as eligible and accepted into the Medicaid Waiver Program, they, or their designated representative, will attend an orientation session provided by the Housing Authority, during which Section 8 procedures and regulations will be explained in detail.~~

#### Welfare to Work Program (24 vouchers) (WtW)

HUD has made vouchers available for persons participating in the CalWORKs Welfare to Work Program. The Welfare to Work vouchers are reserved for CalWORKs participants. They are intended to be a key part of the strategy to support the efforts of Santa Cruz County families who are working towards self-sufficiency. Welfare to Work vouchers are not issued based on placement on the Housing Choice Voucher waiting list. Instead, eligible referrals are provided by the Santa Cruz County Human Services Department (HSD).

Responsibilities for administering the Welfare to Work vouchers are as follows:

The Housing Authority will be responsible wholly or in part for

1. certifying voucher eligibility;
2. providing orientation with regards to the Section 8 Housing Choice Voucher Program; and
3. approving rental agreements.

The Human Services Department will be responsible wholly or in part for

1. screening and refer CalWORKs participants;
2. assisting CalWORKs participants who receive vouchers with housing-related issues and work with Housing Authority staff to resolve those issues;
3. supporting housing stability for eligible CalWORKs participants who receive vouchers by providing them with comprehensive services including individual assistance in the areas of vocational training and assessment, job search and upgrade, on-the-job training, transportation assistance, child care, participation in MediCal/MediCruz as appropriate, counseling services for substance abuse, domestic violence and mental health issues and other supportive services; and
4. coordinating participant involvement in programs offered through the Small Business Development Center, Career Centers, and Cabrillo Student Resource Support Network.

If the Human Services Department informs the Housing Authority that a Welfare to Work voucher holder has graduated from the program, the Housing Authority may absorb that program participant into the regular Housing Choice Voucher program if a voucher is available and if the program participant is in good standing, and if the participant has been stably housed for two or more years. At that time, the Welfare to Work voucher would be available for the next eligible family referred by the Human Services Department.

#### Emergency Housing Vouchers (EHV) (280 Vouchers)

The Department of Housing and Urban Development (HUD) has awarded the Housing Authority Emergency Housing Vouchers (EHV) to continue relief from the Covid-19 pandemic impacts.

Eligibility for these EHV is limited to individuals and families who are (1) homeless; (2) at risk of homelessness; (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking; or (4) recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability. EHV are tenant-based rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)).

The EHV allocation from HUD is accompanied with a one-time service fee to support the efforts of implementing the program. The Housing Authority will use this service fee in accordance with the requirements established in PIH 2021-15, as well as any subsequent HUD guidance. Use of the service fees may include security deposits assistance, owner-related recruitment, incentives, and retention programs, move-in assistance, and tenant readiness services, or any other allowable use that supports the rapid issuance and utilization of these vouchers.

In most respects, EHV will be administered like the regular HCV program. However, EHV will not be issued based on placement on Housing Authority waiting lists. EHV will be issued based on referrals from the County Continuum of Care (CoC) in accordance with an MOU with the County Human Services Department (HSD), who act as the lead agency for the CoC. Additionally, criteria for admission into the voucher program will be more flexible for EHV, in accordance with PIH 2021-15. Based on HUD's waiver of 24CFR982.552 and 982.553, the Housing Authority will only deny admission for the EHV program based on criminal history in the following circumstances:

1. If any member of the household has ever been convicted of a drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing; or
2. If any member of the household is subject to a lifetime registration requirement under a State sex offender registration program to EHV applicants.

The Housing Authority may "graduate" EHV households into the regular HCV program, or any applicable HCV preference or voucher type, in order to maximize utilization and provide assistance to the maximum number of homeless applicants.

[Upon HUD approval, the Housing Authority will operate EHV in accordance with MTW administrative flexibilities that are not otherwise in conflict with the EHV Operating Requirements.](#)

The EHV program will begin to sunset on September 30, 2023. At that time, all households housed through the EHV program will continue to receive rental assistance for as long as they remain eligible and as long as HUD funding allows. However, new EHV vouchers may not be issued after this date. Therefore, as EHV program participants leave the program, turnover vouchers will not be issued, and the program will eventually end through attrition.

#### [IV. Occupancy Policies](#)

##### [Definition of a Family](#)

A family is a person or group of people related by blood, marriage, adoption or affinity that live together in a stable family relationship. Furthermore, the Housing Authority has adopted HUD's definition of "family" as defined in [24 CFR 5.403](#). This definition of family includes single individuals, [single persons who are youth](#), as well as groups of people residing together, regardless of actual or perceived sexual orientation, gender identity, or marital status.

Each family contains a head of household, who must be at least eighteen years old, or if under 18, they must be an emancipated minor. Additionally, each family member must reside in the assisted unit at least 51% of the time (at least 184 days out of the year). Children who are temporarily away from the home because of placement in foster care and military servicepersons on active-duty are considered part of the family if they would otherwise be living in the assisted unit. However, they will not be considered for the purposes of determining voucher size while they are out of the unit. Households with children who have been placed in foster care will keep their voucher size for at least 12 months after the child is removed. However, at the annual review following 12 months after removal (the second annual reexamination after removal) the household will be downsized. When the child returns from foster placement, the household will be upsized at the interim and the payment standard will be updated at that time. The household will not be required to wait until their next annual re-examination to be upsized or to have their payment standard updated.

Households with military servicepersons on active duty will be downsized at the first transfer or annual review following the departure of the serviceperson. When military servicepersons on active-duty return, the household will be upsized, and the payment standard will be updated at the interim. The household will not be required to wait until their next annual re-examination to be upsized or to have their payment standard updated.

Live-in aides and family members of live-in aides are not family members, temporary family members, or guests.

#### Definition of a Temporary Family Member

A temporary family member is a member of an assisted family that has been approved by the Housing Authority and resides in the assisted unit less than 51% of the time (less than 184 days of the year).

#### Temporary Family Members Who Move in and out of the Unit

The income of a temporary family member is counted towards household income while the temporary family member resides in the assisted unit. Therefore, temporary family members who move into the unit for a period of time will be added to the household with an interim while they are living in the unit. Later, they will be removed from the household when they move out of the unit. Temporary family members are not considered for purposes of determining voucher size, even if their income is counted. Additionally, temporary family members are not eligible to receive the voucher in the event that the family breaks up.

#### Temporary Minor Family Members Who Stay in the Unit a Few Days Per Week

Minor children who stay in the household a few days per week (less than 51% of the time and less than 184 days of the year) will not be added to the household. No persons other than minor children will be approved to stay in the household for a few days per week. Instead, other individuals will be considered to be guests (see definition of guest).

#### Definition of a Guest

A guest is a person temporarily staying in the assisted unit with the consent of the family and landlord to the extent allowable by the lease. No guest may stay in the assisted unit for more than 30 cumulative days during any twelve-month period.

#### Definition of When a Family Is Continuously Assisted

Low-income families are eligible for Section 8 assistance if they are continuously assisted under the 1937 Housing Act. For the purposes of determining eligibility, a 120-day break in assistance is considered “continuity of assistance.”

#### Standards for Denying Admission or Terminating Assistance

The Housing Authority may deny assistance to an applicant or terminate assistance for a participant for the following reasons:

1. If the family violates any family obligations under the program as outlined under obligations of participant
2. If any member of the family has ever been evicted from public housing
3. If a housing authority has ever terminated assistance under the voucher program for any member of the family
4. If any member of the family commits drug-related criminal activity, or violent criminal activity, including conviction for manufacturing or producing Methamphetamine
5. If any member of the family commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program
6. If the family currently owes rent or other amounts to the Housing Authority or another housing authority in connection with Section 8 or public housing assistance under the 1937 Act
7. If the family has not reimbursed any housing authority for amounts paid to an owner under a Housing Assistance Payments (HAP) contract for rent, damages to the unit, or other amounts owed by the family under the lease
8. If the family breaches an agreement with the Housing Authority to pay amounts owed to a housing authority, or amounts paid to an owner by a housing authority
9. If the family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel
10. If any member of the household is subject to a lifetime sex offender registration requirement under a State sex offender program
11. If there is reasonable cause to believe that a household member’s abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
12. If the Housing Authority determines that any household member is currently engaged in illegal use of a drug, or if a pattern of illegal drug use by a household member interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
13. If the Housing Authority determines that any family member has violated the family’s obligation not to engage in any drug-related or violent criminal activity.
14. For a variety of criminal or drug-related activities as permitted under HUD regulations.
15. The Housing Authority will deny admission or terminate assistance for applicants or participants in violation of current applicable HUD rules and regulations or Housing Authority policy.
16. The Housing Authority will deny admission for applicants that do not meet the current applicable HUD eligibility requirements.

The Housing Authority may deny admission or terminate tenancy for criminal activity or drug or alcohol abuse in accordance with HUD regulations. The Housing Authority has the discretion to consider all factors in the case, including the seriousness of the case, the extent of participation or culpability of individual family members, past history, recency of criminal activity, age at time of criminal/drug or alcohol activity, mitigating factors such as treatment and character references, and the effects of denial or termination of assistance on other family members who were not involved in the action.

The Housing Authority will ensure an otherwise qualified applicant will not be denied admission or have assistance terminated solely on the basis that the applicant/participant has been a victim of domestic violence, dating violence, sexual assault or stalking (VAWA crimes). The Housing Authority has policies and procedure that will ensure notification of applicants and participants of their VAWA rights and responsibilities.

#### [V. Encouraging Participation by Owners Outside Areas of Low-Income and Minority Concentration](#)

To expand the number of rental property owners participating in the Housing Choice Voucher Program, the Housing Authority mails promotional material to property management agencies on an as-needed basis and conducts landlord briefings on an at-least annual basis. The Housing Authority encourages property owners throughout the jurisdiction, including in areas of lower poverty rates, to accept Housing Choice Vouchers. The Housing Authority collaborates in community-wide outreach to encourage landlords in all areas to accept housing assistance tenants.

Specific steps include the following:

Actions to encourage participation by owners of units outside low-income areas The Housing Authority of the County of Santa Cruz contacts owners of units throughout the County and endeavors to make personal or phone contact with as many owners of rental units as possible especially in the areas of higher income and opportunity.

Actions to explain program requirements including equal opportunity to owners

The Housing Authority of the County of Santa Cruz works closely with real estate professionals. Personal appearances and speeches are made to civic and other organizations and groups to explain the programs to owners and applicants. Brochures are published and available to owners.

Property Agent Incentive Programs

The County of Santa Cruz has provided funding to provide initial lease-up funds for property agents (owners/managers) renting to households either at-risk-of or currently experiencing homelessness. The qualifying special population tenant-based voucher/subsidy programs for this incentive include: Disabled Medically Vulnerable (DMV), Family Unification Program (FUP), Welfare to Work (WtW), Homeless Families with Minor Children (HFMC), Veterans Affairs Supportive Housing (VASH), Mainstream COVID, Stability Vouchers, and Shelter Plus Care. Additional homelessness designated vouchers may be included upon approval by the County.

All local jurisdictions within the County of Santa Cruz have provided funding for a risk mitigation fund which is available to property agents within the County of Santa Cruz regardless of voucher type utilized by the tenant.

#### [VI. Assisting a Family That Claims Illegal Discrimination](#)

The Housing Authority assists families that claim illegal discrimination by including discrimination complaint forms in every briefing packet as well as mailing complaint forms to participants upon request; and referring families to the appropriate state and/or federal agency. The Housing Authority ensures all policies, procedures and staff conduct are consistent with civil rights and fair housing.

Specific steps include the following:

Services to be provided if families allege that they have encountered discrimination after finding a unit: The Housing Authority of the County of Santa Cruz will make available the necessary informational forms and will assist where feasible with filing of any discrimination allegations. Applicants will be reminded of their civil rights and will be referred to appropriate local, state or federal agency for further action.

Assistance to be given to Housing Choice Voucher holders in the exercise of their rights under Federal, State and/or Local Law: Housing Authority staff who are Spanish speaking will assist Spanish speaking Housing Choice Voucher holders in exercising their rights. Program participants speaking languages other than English and Spanish will be accommodated as needed. The Housing Authority staff are familiar with the policies and procedures in the written Language Assistance Plan for serving Limited English Proficiency individuals. The Housing Authority arranges translations in Spanish and functions as a completely bilingual Spanish-English agency. The Housing Authority arranges translation and interpretation services as needed for those who do not speak English or Spanish.

Information on local, State and Federal Fair Housing laws and use of HUD Form-903 are provided as follows: The Fair Housing laws are outlined at the applicant's briefing, and the HUD Fair Housing forms and brochures are included in the Briefing Packets and given to all Housing Choice Voucher holders. Fair Housing posters are located in interview areas.

#### VII. Providing Information about a Family to Prospective Owners

The Housing Authority complies with HUD regulations governing the provision of information to owners. The Housing Authority will provide prospective owners the following information about the family by the prospective owner:

1. The family's current and prior address (as shown in Housing Authority records)
2. The name and address (if known to the Housing Authority) of the landlord at the family's current and prior address

The Housing Authority will not provide any additional information about the family to the prospective owner. Owners are encouraged to do their own tenant screening.

#### VIII. Disapproval of Owners

The Housing Authority may disapprove a prospective owner for violation of a HAP contract; violation of housing quality standards; or fraud, bribery, or corruption in connection with one of the Housing Authority programs. If a jurisdiction reports to the Housing Authority that an owner has a history of renting units that fail to meet state or local housing codes, the Housing Authority may disapprove an owner for that reason. The Housing Authority may also disapprove an owner for other reasons as allowed by HUD regulation.

#### IX. Subsidy Standards

Prior to issuing the Housing Choice Voucher or processing a change in household composition or a transfer, the appropriate voucher size for the family will be determined by applying the following criteria. Payment standards are based on the lower of either voucher size or unit size.



1. The Housing Authority will review each household composition to determine voucher size. An unborn child will not be counted as a person, unless the pregnant woman is the only person in the household. A family that consists of a pregnant woman only will be treated as a two-person family for the purposes of determining family unit size. Temporary household members, guests, and family members of live-in aides, (as defined above) will not be counted for the purpose of determining voucher size. However, children who are temporarily away from the home because of placement in foster care and military servicepersons on active duty are considered part of the family (even if they are not currently living in the household) if they would otherwise be living in the assisted unit. Therefore, when children return from foster placement, or when military servicepersons return from active duty, they may return to the household. On a case-by-case basis, the Housing Authority may allow minor children to be added to the household if adult household members are identified as stand-by guardians under the Childcare Safety Plan.
2. One bedroom will be allocated to the head of household and their spouse or registered domestic partner or significant other. One bedroom will be allocated to every two approved household members, regardless of gender, age, or familial status.
3. A household member must be a resident of the unit at least 51% of the time (at least 184 days of the year) to be counted as part of the household for the purposes of determining voucher size.

The subsidy standards are as follows. For the purpose of the tables below, the number of household members includes only those persons that are included when considering voucher size.

A family with a head of household AND spouse or registered domestic partner or significant other/domestic partner will be allocated the following:

Number of Household Members Impacting Voucher	Voucher Size
2	1
3	2
4	2
5	3
6	3
7	4
8	4
9	5
10	5

A family with a head of household and NO spouse or registered domestic partner or significant other/domestic partner will be allocated the following:

Number of Household Members Impacting Voucher Size	Voucher Size
1	1
2	2
3	2
4	3

5	3
6	4
7	4
8	5
9	5
10	6

When the Housing Authority determines that there is an adequate supply of studio (0 BR) units for rent, the agency may issue studio instead of one-bedroom vouchers to single- person families.

HUD may award the Housing Authority with Enhanced Vouchers to provide continued assistance to families adversely impacted by the termination of an affordable housing contract. The Housing Authority will use Enhanced Voucher assistance to meet HUD requirements. In implementing those requirements, the Housing Authority will determine if the bedroom size of the family’s unit exceeds the number of bedrooms for which the family qualifies under the subsidy standards, which is an over-housed family, unless the family qualifies for reasonable accommodation. The Housing Authority will notify the family and the project owner. When the Housing Authority notifies the family of the availability of an appropriately sized unit, the family must move to the unit in a reasonable time not to exceed 30 days in order to retain the Enhanced Voucher. The Housing Authority may grant an exception to this timeframe when the family requests it due to an extreme hardship. Hardship exceptions to the 30-day limit may be granted for a death in the family or serious illness.

Exceptions to the subsidy standards may be made as a reasonable accommodation for persons with disabilities. All requests must be reviewed and approved in advance by the Reasonable Accommodations (RA) staff. If the voucher holder is approved for a Live-in aide through RA staff, they are provided with a separate bedroom. A LIA and all LIA family members will be only allotted one bedroom. Household members of the live-in aide may share a bedroom with the live-in aide under the following conditions:

1. Only the live-in aide’s spouse, registered domestic partner, or birth child may be added to the household.
2. The addition of the live-in aide’s family members will not be approved if it will cause overcrowding to the existing unit.
3. The live-in aide’s family members, like the live-in aide, are subject to all Housing Authority background checks and screening procedures.
4. The family will not receive a dependent allowance for the live-in aide’s child.
5. The income of the live-in aide, live in aide’s spouse, live-in aide’s registered domestic partner, or adult children of the live- in aide will not be counted.
6. All adult family members of the live-in aide must sign an agreement confirming that they understand they are not a member of the assisted family.

The live-in aide and the household members of the live-in aide are not considered family members, temporary family members, or guests. The Housing Authority may consider other unusual family circumstances when determining the voucher size to be assigned to a family. Neither the live-in aide nor any members of the live-in aide family have rights to the voucher, should the voucher household break up.

Applicant Flexibility on Unit Size Actually Selected for Rental

It is emphasized that the unit size listed on the applicant's Housing Choice Voucher does not preclude the family from selecting either a smaller or larger sized unit.

The family may select a larger sized unit provided their portion of the rent does not exceed 40% of their adjusted monthly income at move-in. A family may select a smaller sized unit provided there is no HQS violation based on overcrowding. However, the payment standard used to determine the level of rental assistance will be based on the smaller of the payment standard for the voucher size or the payment standard for the unit size. Families electing to reside in a larger unit will pay a larger share of rent. Similarly, families electing to reside in a smaller unit will receive a smaller payment standard and will not benefit financially from choosing a smaller unit.

#### X. Family Absence from Dwelling Units

Families are permitted to be absent from their unit for up to thirty days without Housing Authority approval and continue to receive a HAP. With prior notice, longer absences, up to 180 days, may be permitted for documented cases of hospitalization, nursing home stays, and drug treatment, and other unusual circumstances to be determined on a case-by-case basis. During this time, the HAP will continue, and the tenant must continue to pay their portion. The HAP will not be paid for long absences for reasons other than those listed above. The contract, and therefore the lease, will automatically terminate after a 180-day absence as required by regulation.

#### XI. How to Determine Who Remains in the Program If a Family Breaks Up

The following guidelines determine who may continue to receive Housing Choice Voucher assistance if the household breaks up, due to the head of household no longer having the legal capacity to enter into a lease or if the head of household leaves or dies, or due to Violence Against Women Act crimes. In the event of this kind of family breakup, the following clauses are effective:

##### Persons who may NOT receive the voucher

1. No person may receive the voucher in the case of a family break up unless he/she has been a member of the family living in the household for at least the three consecutive prior years. Cases where the family has been on the program for less than three years will be forwarded to the Director of the Housing Programs Department for review on a case-by-case basis.
2. Neither a live-in aide nor any family members of a live-in aide may receive the voucher.
3. No temporary family member or guest may receive the voucher.
4. No minor may receive the voucher.

##### Persons who may receive the voucher

1. In the event of family break up, the voucher will automatically go to the head of household's spouse or registered domestic partner if applicable.
2. If the head of household does not have an eligible spouse or registered domestic partner, the Housing Authority has the discretion to determine whether or not any remaining household members may receive the voucher. The Housing Authority may consider the following factors:
  - a) Whether or not the remaining family member is elderly or disabled
  - b) Whether or not the remaining family member has legal dependents that are living in the assisted unit

- c) Whether or not a family member has been a victim of actual or threatened violence against family members by another member of the household
  - d) Whether or not the remaining family member is employed
  - e) Other relevant factors as determined by the Housing Authority on a case-by-case basis
3. If the family member who receives the voucher and becomes the head of household was also on the waiting list, the Housing Authority shall remove their name from the waiting list.

## XII. Informal Review Procedures for Applicants

Informal reviews for applicants will be conducted in compliance with HUD regulations. Once applicants have been notified of their right to an informal review, they have 15 calendar days to request a review in writing.

### Notice to Applicant

The Housing Authority must give an applicant for admission prompt notice of a decision denying admission to the applicant. The notice must contain a brief statement of the reasons for the Housing Authority decision and a copy of the criminal record if that is a reason for denial. The notice must also state that the applicant may request an informal review of the decision and must describe how to obtain the informal review.

### Informal Review Process

The Housing Authority must give an applicant an opportunity for an informal review of the Housing Authority decision denying assistance to the applicant. The review will be conducted by the Review Committee, designated by the Executive Director, who will appoint staff other than a person who made or approved the decision under review or a subordinate of this person.

At the informal review, the applicant must be given an opportunity to present written or oral objections to the Housing Authority decision. The Housing Authority must notify the applicant of its final decision after the informal review, including a brief statement of the reasons for the final decision.

### When Informal Review Is Not Required

The Housing Authority is not required to provide an applicant the opportunity for an informal review for any of the following:

1. Discretionary administrative determinations by the Housing Authority.
2. General policy issues or class grievances.
3. A determination of the family unit size under the Housing Authority subsidy standards.
4. A Housing Authority determination not to approve an extension or suspension of a voucher term.
5. A Housing Authority determination not to grant approval of the tenancy.
6. A Housing Authority determination that a unit selected by the applicant is not in compliance with HQS.
7. A Housing Authority determination that the unit is not in accordance with HQS because of the family size or composition.

## XIII. Informal Hearing Procedures for Participants

Informal hearings for participants will be conducted in compliance with HUD regulations. Once participants have been notified of their right to an informal hearing, they have 15 calendar days to request a hearing in writing. The Housing Authority may conduct hearing remotely via telephone or video conferencing.

#### When Hearing Is Required

The Housing Authority must give a participant family an opportunity for an informal hearing to consider whether the following Housing Authority decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations and Housing Authority policies:

1. A determination of the family's annual or adjusted income and the use of such income to compute the housing assistance payment.
2. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the Housing Authority utility allowance schedule.
3. A determination of the family unit size under the Housing Authority subsidy standards.
4. A determination that a family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the Housing Authority subsidy standards, or the Housing Authority determination to deny the family's request for an exception from the standards.
5. A determination to terminate assistance for a participant family because of the family's action or failure to act
6. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under Housing Authority policy and HUD rules.

In the cases described above, the Housing Authority must give the opportunity for an informal hearing before the Housing Authority terminates housing assistance payments for the family under an outstanding HAP contract.

#### When Hearing Is Not Required

The Housing Authority is not required to provide a participant family an opportunity for an informal hearing for any of the following:

1. Discretionary administrative determinations by the Housing Authority.
2. General policy issues or class grievances.
3. Establishment of the Housing Authority schedule of utility allowances for families in the program.
4. Housing Authority determination not to approve an extension or suspension of a voucher term.
5. Housing Authority determination not to approve a unit or tenancy.
6. Housing Authority determination that an assisted unit is not in compliance with HQS. (However, the Housing Authority must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family.)
7. Housing Authority determination that the unit is not in accordance with HQS because of the family size.
8. Housing Authority determination to exercise or not to exercise any right or remedy against the owner under a HAP contract.

#### Expeditious Hearing Process

Where a hearing for a participant family is required under this section, the Housing Authority must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

### Discovery

By family: The family must be given the opportunity to examine before the hearing any Housing Authority documents that are directly relevant to the hearing. The family must be allowed to copy any such document at the family's expense. If the Housing Authority does not make the document available for examination on request of the family, the Housing Authority may not rely on the document at the hearing. The Housing Authority will redact, or block-out, information on a VAWA crime victim's location or the name or location of any service provider agencies used by the victim.

By Housing Authority: The Housing Authority will request an opportunity to examine at Housing Authority offices before the hearing any family documents that are directly relevant to the hearing. The Housing Authority must be allowed to copy any such document at the Housing Authority's expense. If the family does not make the document available for examination on request of the Housing Authority, the Housing Authority has the right to accept or deny the document at the hearing or to postpone the hearing until the document can be adequately reviewed. The term "documents" includes records and regulations.

### Representation of Family, Recording of Hearing

At its own expense, the family may be represented by a lawyer or other representative. The name and title of such representative must be submitted to the Housing Authority at least 5 days prior to the hearing. If the representative is a lawyer, the Housing Authority may arrange to have its lawyer present, too.

Either the family or the Housing Authority may elect to record the hearing at its own expense. If either party wishes to record the hearing, it must notify the other in writing at least 5 days prior to the hearing; however, the Housing Authority will record all hearings recorded by the family without providing specific prior notification.

### Hearing Officer

The hearing may be conducted by any person or persons designated by the Executive Director, other than a person who made or approved the decision under review or a subordinate of this person. The person who conducts the hearing may regulate the conduct of the hearing in accordance with the Housing Authority hearing procedures.

### Evidence

The Housing Authority and the family must be given the opportunity to present evidence and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

### Issuance of Decision

The person who conducts the hearing must issue a written decision, briefly stating the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing. A copy of the hearing decision shall be furnished promptly to the family.

### Effect of Decision

The Housing Authority is not bound by a hearing decision under the following two conditions:

1. Concerning a matter for which the Housing Authority is not required to provide an opportunity for an informal hearing under this section, or that otherwise exceeds the authority of the person conducting the hearing.

2. Contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.

Any appeal of a hearing officer's decision on these grounds will be considered by the Executive Director, whose decision will be final. If the Housing Authority determines that it is not bound by a hearing decision or that such a decision is contrary to HUD regulations or requirements, the Housing Authority must promptly notify the family of the determination, and of the reasons for the determination.

#### XIV. The Process for Establishing and Revising Payment Standards

Payment Standards are used to calculate the Housing Assistance Payment that the Housing Authority pays to the landlord on the tenant's behalf. The payment standard represents the maximum level of subsidy that may be paid by the Housing Authority. The Payment Standard will be reviewed, and revised, if necessary, at least annually following the publication of the Fair Market Rents (FMR) by HUD. Factors used in this analysis include the following:

1. Comparison of Payment Standard to Fair Market Rent
2. Average amount participants in the voucher program pay in rent.
3. Rent reasonableness data
4. Local vacancy rate data
5. Analysis of the expected voucher program funding level (HAP funding including the inflation factor adjustment)

At the time of annual payment standard review, and to the extent funds are available, an exception payment standard may be considered as a reasonable accommodation on a case-by-case basis to expand housing opportunities for persons with disabilities. If HUD decreases the FMR, which would reduce the basic range of the payment standard, the Housing Authority will hold harmless families by not decreasing the subsidy received by the family. The Housing Authority may establish one or more separate payment standards within the basic range for designated parts of an FMR area.

[Upon HUD Approval of the Housing Authority's MTW Supplement, the Housing Authority may utilize payment standards that fall between 80%-120% FMR.](#)

#### XV. The Method for Determining That Rent to Owner Is a Reasonable Rent

A determination must be made that rent to owner in the Section 8 Housing Choice Voucher Program is reasonable based on current rents for comparable unassisted units:

1. at the time of initial leasing,
2. if there is any increase in the rent to owner,
3. at the HAP contract anniversary if there is a 10% decrease in the FMR in effect 60 days before the HAP contract anniversary, and
4. if directed by HUD.

Reasonable rent is 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, maintenance (including special services) and amenities.

## XVI. Policies Regarding Special Housing Types

### Shared Housing in the Housing Choice Voucher Program

1. Shared Housing is when a unit is occupied by two or more families. The unit must consist of shared common living space, as well as separate private space for each assisted family. Therefore, zero- and one-bedroom units may not be rented for shared housing. Under the lease, the assisted family must have cooking and bathroom facilities available to them. All areas (the entire unit) must be inspected initially and annually.
2. The shared housing program is designed to provide additional choices in living arrangements for assisted families. The Housing Authority of the County of Santa Cruz will permit only the use of “individual lease shared housing,” wherein the Housing Authority enters into a separate HAP contract for each assisted family residing in the dwelling.
3. Single room occupancy units, zero-bedroom efficiency units, Independent Group Residences, congregate housing units and manufactured homes for which assistance is provided under the Space Rental Assistance Program may not be used for Shared Housing.

### Shared Housing in the Project Based Voucher Program

Shared Housing is not allowable in the Project Based Voucher Program per HUD Regulations

### Eligibility for Shared Housing

Under certain conditions (such as changes in the housing market or incidences of fraud) the Housing Authority may limit shared housing to families who are either elderly or disabled and who have a zero- or one-bedroom voucher. Such decisions will be made at the discretion of the Executive Director.

### Subsidy Standards

For Shared Housing, the living room/common living area will not be considered when determining voucher size or overcrowding.

### Additional Limitations for Shared Housing

1. The owner/landlord may reside in the unit but cannot be a parent, child, grandparent, grandchild, sister or brother, aunt, uncle, cousin, stepparent, step-grandparent, or significant other to any member of the assisted household. Relation by adoption is included in this definition.
2. A married couple or registered domestic partners cannot split themselves into two households and live in shared housing.
3. An existing household currently living together (whether they are assisted, on the waiting list, etc.) cannot split themselves into two or more households as a way to avoid counting the other family member’s income and live in shared housing.
4. Shared Housing is not intended to allow assisted families to live with household members that they would normally live with, while avoiding counting the other household member(s) income.

### Utilities

1. The amount of the Utility Allowance for an assisted individual in Shared Housing is the individual’s pro rata portion of the Utility Allowance for the entire unit.
2. Individuals enter Shared Housing arrangements on a voluntary basis and agreements on splitting tenant paid utilities and utility deposits are part of that voluntary, private agreement between or among



the individuals occupying the unit. Therefore, it is not mandatory that tenants agree to pay utilities based on the same proration formula the Housing Authority uses.

3. Although, in units with tenant paid utilities, utility payments are made by the tenant and not by the owner, the owner is free to ascertain, before leasing to sharing individuals, that the individuals have reached agreements in splitting tenant paid utilities and utility deposits, with full awareness of the amount of the Housing Authority determined utility allowance for each assisted tenant.

#### Other Special Housing Types

The following conditions will be used to determine who will be eligible to use each special housing type.

1. Single-person households will be eligible to use Single Room Occupancy housing.
2. Elderly or disabled participants in the Housing Choice Voucher program will be eligible to use Congregate Housing and Group Home Housing.
3. All participants in the Housing Choice Voucher program will be eligible to use Cooperative Housing, Manufactured Home Housing and Manufactured Home- Space Rent Housing.
4. Any special housing type will be eligible for use if needed as a reasonable accommodation so that the program is readily available to and usable by persons with disabilities.

#### Section 8 Homeownership Program

The Housing Authority of the County of Santa Cruz has elected to offer the homeownership option that is available in the Section 8 Housing Choice Voucher program. The purpose of this program is to allow eligible families to purchase a home using the Housing Choice Voucher.

#### Family Participation Requirements

1. A preference will be given for current or past FSS (Family Self Sufficiency) participants.
2. This program shall be open only to those families who have been assisted under the Section 8 Housing Choice Voucher program for one year and are in good standing as participants in the Housing Choice Voucher program.
3. There is no limit on the number of vouchers that may be used for the Homeownership Program.
4. There will be no additional local eligibility requirements except those imposed by the regulations.
5. CFR 982.627(d) (2) gives the Housing Authority the discretion to determine whether and to what extent interruptions are considered to break the continuity of employment during the year. The Housing Authority of the County of Santa Cruz will consider a household member to be continuously employed if their gross annual wages totaled at least the minimum wage times 30 hours per week.

#### Housing Counseling

1. Pre-homeownership counseling is mandatory for all participants in the Homeownership program and will include those items required by regulation. ([24CFR 982.630](#))
2. If a family purchases a home using Section 8 homeownership assistance and later sells that home to purchase another, the pre-homeownership counseling requirements will not be imposed again for the second purchase.

#### Capacity Test

The Housing Authority meets the Capacity Test set forth in [24CFR 982.625](#) in the following ways:

1. The Housing Authority has established a minimum down payment requirement of at least three percent of the purchase price. At least one percent must come from the family's personal resources.
2. The Housing Authority requires that financing for purchase of a home under the Homeownership program must comply with generally accepted private sector underwriting standards. In particular, no adjustable-rate mortgages or balloon payment will be permitted.

### Locating a Unit

1. There are no shopping deadlines imposed on families who are interested in purchasing a home. Because the homeownership option is available only to families currently receiving Section 8 rental assistance, their rental voucher will remain in effect as they search for a unit to purchase. The rental voucher will be converted to a homeownership voucher during the escrow process. If a family wishes to transfer to another unit and is issued a transfer voucher, the usual requirement to locate a unit within regular voucher search term applies, regardless of whether the family chooses to move to another rental unit or wishes to purchase a home under the homeownership option. Therefore, it is highly recommended that families remain in their current unit while they undertake a search to locate a unit to purchase.
2. If a family cannot locate a unit to purchase, their rental voucher will remain in effect.

### Down Payment and Financing

1. Cash down payment and equity requirements shall be the same as those required under Section D, "Capacity Test", subsection 1.
2. Prospective purchasers must demonstrate that they have adequate cash reserves to pay for the required home inspection in addition to the down payment.
3. The home inspection must be conducted by a home inspector certified through the American Society of Home Inspectors or other comparable certification to be approved by the Housing Authority on a case-by-case basis.
4. For the purposes of calculating the housing assistance payment, "Home-ownership expenses" shall be defined as those homeownership expenses listed in [24CFR 982.635](#), and shall include homeownership association dues.
5. The first mortgage lender shall be responsible for determining whether the family can afford the financing being offered. The Housing Authority will not be responsible for determining the affordability of the financing.
6. Lenders participating in the program must be approved by the Housing Authority.
7. Adjustable-rate mortgages and balloon payments will not be permitted in the Homeownership program.
8. The Housing Authority must approve any refinancing or additional debt recorded against the property. The Housing Authority will record a notice against the property requiring such prior approval. In order to approve refinancing or additional debt, the Housing Authority will determine whether the family's income is sufficient to pay any additional debt service.
9. Assistant payments will be made directly to the purchaser or lender, depending on the lender's requirements.

### Continuation of Assistance

1. The family must notify the Housing Authority if they receive a Notice of Default.
2. The Housing Authority will not prohibit families from making more than one move during any one-year period

3. The Housing Authority will not require that families using the homeownership option be FSS participants; however, a preference will be given to current or past FSS participants.
4. The Housing Authority will not require post-purchase HQS inspections.
5. In the case of a mortgage default, the Housing Authority has the option of granting the family a rental voucher to continue their assistance. Such determinations will be made on a case-by-case basis and will take into consideration the circumstances leading to the default, including but not limited to employment layoffs, a family member becoming disabled, and/or the death or departure of a family member.
6. The ongoing payment of real estate taxes is not a requirement for participation in the homeownership program. It is the responsibility of the homeowner to ensure that their taxes are paid. The lender may, at their discretion, monitor to ensure that taxes are paid.
7. In calculating the housing assistance payment, the Housing Authority will allow a monthly allowance for maintenance expenses, to be adjusted from time to time if needed.
8. In calculating the housing assistance payment, the Housing Authority will allow a monthly allowance as a reserve for major repairs, to be adjusted from time to time if needed.

## [XVII. Project Based Voucher Program](#)

The Project-Based Voucher (PBV) program is a rental assistance program where the assistance is attached to the unit rather than to the family occupying the unit. The PBV program allows PHAs that already administer a tenant-based voucher program to use a limited number of its program authorized vouchers and attach funding to specific units rather than using it for tenant-based assistance.

### 1. Project Definition

The Housing Authority defines a project as a single building, multiple contiguous building, or multiple buildings on contiguous parcels of land, with the exception of single-family scattered sites.

### 2. Project-Basing Special Voucher Types

The Housing Authority may choose to make PBVs available from any special population designated voucher or waiting list preference permitted under HUD regulations.

### 3. Project-Based Vouchers Per Complex (Income-Mixing Requirements or Project Cap)

The Housing Authority follows HUD's Income Mixing (Project Cap) requirements. Unless units are designated as Excepted Units per HUD regulations, the limitation on the number of PBVs in a project is the greater of twenty-five (25) units or twenty-five percent (25%) of the units in a project.

For units in projects that are in a census tract with a poverty rate of twenty percent (20%) or less, the limitation on the number of PBVs in a project is the greater of twenty-five (25) units or forty percent (40%) of the units in a project.

The following units are excluded from the 25 percent or 25-unit Project Cap:

- a) Units exclusively serving elderly families (aged 62+);
- b) Units housing households eligible for supportive services. Services must be continually available to all families receiving PBV assistance in the project.

[Upon HUD Approval of the Housing Authority's MTW Supplement, the Housing Authority may, at their discretion, raise the PBV cap within a project to support units in excess of the 25 percent or 25-unit Project Cap in accordance with the MTW waiver approved by HUD.](#)

4. Services offered in PBV Supportive Services Excepted Units

In order for the supportive services exception to apply to a unit, the project must make supportive services continuously available to all eligible families in the project, and the family must be eligible for one or more of the services. The family may, but is not required to, participate in the services. Types of supportive services available to assist families in the project-based voucher program may include education, employment, health-related, transportation, personal assistance, housekeeping, money management, and other services designed to help the eligible family live in the community as independently as possible. These services will be continuously available to all residents at project-based voucher assisted projects. Services will be designed to help the families in the project achieve self-sufficiency or live in the community as independently as possible.

5. Small Area Fair Market Rents for Project Based Voucher Programs

The Housing Authority does not use Small Area Fair Market Rents in Project-Based Voucher programs.

6. Open Request for PBV Proposal

The Housing Authority will continually maintain an open request for proposals (RFP) for project-based vouchers. Interested parties may submit proposals at any time during the year. The RFP will remain posted on the Housing Authority website.

7. Conflict of Interest

Neither the Housing Authority nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the HCV or PBV program in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- a) Any present or former member or officer of the Housing Authority;
- b) Any employee of the Housing Authority, or any contractor, subcontractor or agent of the Housing Authority, who formulates policy or who influences decisions with respect to the programs;
- c) Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs; or
- d) Any member of Congress of the United States.

Any member of the classes described in (a) through (d) of this section must disclose their interest or prospective interest to the Housing Authority when responding to the RFP for project-based vouchers. In some cases, the PHA may request a waiver from HUD to consider allowing such a conflict. The conflict-of-interest must be disclosed to HUD, and the prohibition under this section may only be waived by the HUD field office for good cause.

8. Project-Based Voucher Selection

a) Standard Competitive PBV Selection Process

The Housing Authority will consider many factors including site location, project design, project amenities, services to be provided to residents, target population, and any other relevant information in determining the extent to which the PBV proposal furthers the Housing Authority's mission and whether the public interest is best served by converting tenant-based vouchers into project-based vouchers based on scoring criteria established by the PHA Board of Commissioners.

Prior to award of Project Based Vouchers, the Housing Authority will score all proposals to determine that the proposal complies with HUD program regulations and requirements, including a determination that the property is eligible for project-based vouchers, that the proposal complies with the cap on the number and percentage of project-based units per project, and that the proposal meets site selection standards.

Project-based assistance for housing at any selected site must be consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. When determining the extent to which a site meets this standard, the Housing Authority will consider the following:

1. Whether a PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition.
2. Whether the project is located in a census tract with a poverty rate of twenty percent (20%) or less.
3. If the poverty rate in the area where the proposed PBV development will be located is greater than 20 percent, the PHA should consider whether in the past five years there has been an overall decline in the poverty rate.
4. Whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization.
5. Whether state, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement.
6. Whether new market rate units are being developed in the same census tract where the proposed PBV development will be located and the likelihood that such market rate units will positively impact the poverty rate in the area.
7. Whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed PBV development will be located.

Designated Housing Authority staff will review all proposals received before selecting units. They will determine whether proposals are responsive to and in compliance with the information requested in the RFP. Housing Authority staff will assure that the project meets PBV goals, civil rights requirements, and HQS site standards. All units (whether existing, rehabilitated or newly constructed) shall be inspected for HQS before the family moves in. The Housing Authority may not execute the HAP contract until the units fully comply with HQS. The Housing Authority may, at its discretion, select one or more of the proposal(s) submitted, or none of the proposals submitted.

In the event that a proposal is selected, the Housing Authority will notify the party that submitted the selected proposal and will maintain a list of conditionally approved projects on the Housing Authority website. The Housing Authority will make documentation available regarding the basis for the selection of any project-based voucher proposal to any interested persons.

b) Non-Competitive PBV Selection Process

- i) The Housing Authority may provide PBV assistance to a project in which the Housing Authority improve, develop, or replace units in a public housing property or property that it controls or has an ownership interest or over which the Housing Authority has control, in without using a competitive process, but only in cases in which the Housing Authority is engaged in an initiative to improve, develop, or replace a public housing property or site.

The Housing Authority has recently converted 234 units of public housing property currently owned by affiliated nonprofit New Horizons. The Housing Authority may apply project-based vouchers to these units without using a competitive process.

- ii) Any existing PBV HAP contract may be amended to add units by mutual agreement of the Housing Authority and the owner without competitive selection in order to increase housing opportunities for existing voucher holders and special populations. The amendment is subject to all PBV requirements.

c) Competitive Selection Process for PBV Award to PHA-Owned Units

If the Housing Authority wishes to project-base units at a property in which it has an ownership interest, [and the proposed project does not meet the Non-Competitive Selection Process criteria](#), the proposal in question will be scored by designated Housing Authority staff. If chosen to receive PBV, the selection will be forwarded to the HUD field office or a HUD-approved independent entity for review. The HUD field office, or designee, will review the proposal to determine if the Housing Authority-owned units were appropriately selected, based on the selection procedure specified in the Administrative Plan.

If housing is selected for PBV where the Housing Authority has an ownership interest, an independent entity approved by HUD must:

1. Determine initial rent to owner based on an appraisal by a third party;
2. Determine reasonable rent based on a comparability analysis for other than initial rents;
3. Furnish a copy of the rent determination to the HUD field office; and
4. Complete all HQS inspections and provide a copy of the HQS inspections to the Housing Authority and to the HUD field office.

The Housing Authority shall only compensate the independent entity from ongoing administrative fee income. The Housing Authority shall not charge the family any fee for the appraisal or for other services provided by the independent entity.

[Upon HUD Approval of the Housing Authority's MTW Supplement, the Housing Authority will utilize a HUD waiver to:](#)

- [1. eliminate the independent third-party review process in the award of PBV's to properties owned or controlled by the Housing Authority](#)
- ~~1~~[.2.eliminate the third-party rent reasonableness process at properties that the Housing Authority owns, manages, or controls, such that rent reasonableness would be conducted by Housing Authority staff; and](#)
- ~~2~~[.3.eliminate third-party inspections of properties owned, managed, or controlled by the Housing Authority such that inspections would be conducted by Housing Authority staff.](#)

9. Waiting List and Tenant Selection

For most Project Based Voucher sites, families will be offered assistance through the Project- Based Voucher (PBV) Program in the order of their random number sequence or lottery number of their application on the Housing Choice Voucher waiting list. Additionally, existing Housing Choice Voucher holders who are in the process of transferring may lease project-based units at developments that utilize the regular HCV waiting list. Some complexes have site-based waiting lists, as described in the Waiting List section above. When a Project-Based unit becomes available, the Housing

Authority will send a letter to the top families in the HCV Waiting List or PBV site based waiting list, as applicable. The letter will instruct interested families to contact the owner directly.

Owners may refer families to the HCV waiting list if the waiting list is open, and such referrals will be placed on the list. While the owner is not allowed to choose their own tenant and have that tenant move up the waiting list ahead of other applicants, the owner may apply their own tenant selection criteria and preferences, provided that they remain in compliance with fair housing law.

Families on the HCV waiting list who reject an offer of a PBV unit or who are rejected by the owner will not be penalized. They will retain the same position on the waiting list that they would have had if they had not been offered PBV assistance.

[Upon approval of the Authority's MTW Supplement, the Housing Authority will allow moves from PBV units with an HCV after 12 months for all families who have come from the HCV waiting list. However, for families who did not come from the HCV waiting list \(including households originating from a site-based waiting list or referral-based households\), the Housing Authority will require households to reside in the PBV unit for 24 months before being eligible to transfer with an HCV. Exceptions may be made on a case-by-case basis for good cause.](#)

#### 10. Overcrowded, Under Occupied and Accessible Units

If a family is determined to be in a wrong-sized unit (a unit that is too large or too small) or in an accessible unit with features that the household does not require, the Housing Authority may offer the family some type of continued housing assistance. The Housing Authority may offer the family

- a) Another PBV unit in the same building or another building
- b) A tenant-based voucher

#### 11. Rent Redetermination

The Housing Authority will accept owner requests for rent changes in PBV units when owner submits at least 60 days before the HAP Contract anniversary date. The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract. The Housing Authority will notify owners in writing specifying the amount of the redetermined rent. The Housing Authority written notice of the rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract.

### XVIII. Payment by a Family to the Housing Authority

A program participant who owes the Housing Authority money may not transfer to a new unit or port out to a new jurisdiction until the money is repaid or satisfactory arrangements have been made to repay the debt. Additionally, waiting list applicants who owe money to the Housing Authority may not be issued a voucher until the money is repaid or until satisfactory arrangements have been made to repay the debt.

### XIX. Interim Redeterminations of Family Income and Composition

When the Housing Authority receives written information concerning a change in the family's income or household composition between regularly scheduled reexaminations, the Housing Authority will

consult with the family and make any adjustments determined to be appropriate. Any change in the family income or household composition that results in an adjustment in the Total Tenant Payment, Tenant Rent and HAP must be verified.

#### Changes to the Head of Household

Changes to the head of household will be allowed in the case of a family break up (see Section XI above) or if the head of household no longer has the legal capacity to enter into a lease, another member can become the head of household if they provide verification of the incapacitation, and if they have the legal capacity to enter into a lease. The Housing Authority may consider additional exceptions on a case-by-case basis.

#### Changes to Household Composition

If any household member moves out of the assisted unit, the household must inform the Housing Authority in writing within 14 calendar days of the move out. If the reduction in family members results in the number of bedrooms in the unit exceeding that which the family is eligible for, the Housing Authority will reduce the subsidy standard and reduce the payment standard accordingly at the family's next annual recertification.

If the household wishes to add any new members (including temporary family members), the household must request advance permission in writing before any new members move into the unit. All new household members (including temporary household members) will be subject to all Housing Authority eligibility and screening criteria including a criminal background check.

The Housing Authority will apply the following criteria when determining who may move into an assisted unit. However, children who are temporarily away from the home because of placement in foster care and military servicepersons on active duty are considered part of the household (even if they are not currently living in the household) if they would otherwise be living in the assisted unit. Therefore, when children return from foster placement, or when military servicepersons return from active duty, they may return to the household. The rules below about who can be added to a household do not apply to foster children and military servicepersons who were already living in the household prior to their temporary absence.

When a family member is added, staff must first redetermine the family subsidy standard, using the new subsidy standards, without this new family member. Then staff will apply the following rules. Please note that "parent" refers to the birth or adoptive parent, and "child" refers to children by birth, court awarded custody, or (for minor children only) by foster placement.

The following individuals may be added to the household and may increase the family's voucher size:

1. The spouse, registered domestic partner, or significant other of the head of household
2. The parent of the head of household
3. The parent of the head of household's spouse / registered domestic partner
4. The child of the head of household, including adult child
5. The child of the head of household's spouse / registered domestic partner, including adult child
6. The minor birth child of any existing household member
7. The grandparent or great-grandparent of the head of household
8. The grandparent or great-grandparent of the head of household's spouse / registered domestic partner
9. The grandchild or great-grandchild of the head of household
10. The grandchild or great-grandchild of the head of household's spouse / registered domestic partner



The Housing Authority may allow minor children to be added to the household if adult household members are identified as stand-by guardians under the Childcare Safety Plan. No other adults or child(ren) may move into the assisted unit, other than those specifically identified above.

Changes in Household Income:

Families must notify the Housing Authority in writing within 14 days of a decrease in income. Decreases in Total Tenant Payment are to be made effective the first of the month after the change was reported and after the change has occurred. However, no decrease adjustment in TTP is to be processed until all facts have been verified.

Families must notify the Housing Authority in writing within 14 days of an increase in income, and the Housing Authority may conduct an interim redetermination. This interim redetermination may serve as the family's next annual reexamination. The sole exception to this is annual increases to fixed income sources like Social Security, which will be verified and processed at the next regular annual reexamination.

Alternate Reexamination Schedule

Upon HUD Approval of the Housing Authority's MTW Supplement, the Housing Authority will utilize a HUD waiver to conduct reexaminations for fixed-income families at least every three years and conduct reexaminations for all remaining 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 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. HACSC will reserve the right to conduct reexaminations more frequently either for administrative or financial reasons. Additional details regarding the implementation of alternate reexamination schedules, qualifying events for interim adjustments and application of new payment standards will be available on the Housing Authority website and will be communicated to all impacted tenants at the time of their certification.

XX. Restrictions, If Any, on the Number of Moves by a Participant Family

There are no restrictions on the number of moves by a participant HCV family other than those required by HUD regulation. In the case of a participant who wishes to port to a higher cost area, such requests will only be denied in cases of insufficient funding, per [24CFR 982.314](#). In such cases, families will be informed of the potential for insufficient funding at the time they request to port their voucher. Additionally, the Housing Authority will keep the request to port open for consideration and will notify the family as soon as funding becomes available.

Program participants must be in good standing in order to be eligible to transfer their assistance to another rental unit. A program participant who owes the Housing Authority or their landlord money as a result of program or lease violations may not transfer to a new unit or port out to a new jurisdiction until the money is repaid or satisfactory arrangements have been made to repay the debt. The Housing Authority may postpone the transfer for up to 21 days, while the security deposit is reconciled and while the Housing Authority consults with the tenant and landlord and collects appropriate documentation. Length of tenancy will be considered. After this time, the Housing Authority will either issue a transfer packet or begin the process of termination of assistance.

### XXI. Approval by the Board of Commissioners or Other Authorized Officials to Charge the Administrative Fee Reserve

Expenditures from the Administrative Fee Reserve account will be made in accordance with all applicable federal requirements and in accordance with the Procurement Policy. The Board of Commissioners approves expenditures during the budget approval process.

### XXII. Procedural Guidelines and Performance Standards for Conducting Required HOS Inspections

The Housing Authority conducts HQS inspections at least biennially as required by HUD. The agency has implemented a system of quality control inspections and regular training to ensure that inspections are performed accurately and consistently. The Housing Authority may use Remote Video Inspections (RVI). RVI is a HQS inspection performed remotely with a “proxy” inspector and with the Housing Authority inspector remotely directing the inspection.

If the inspector’s determination of the number of bedrooms in a unit differs from the number of bedrooms on the Request for Tenancy Approval, the owner may be required to supply verification from the planning/building department on the approved number of bedrooms.

In the case of new move-ins, all units must pass inspection before the HAP contract may begin. If a unit initially fails the inspection, it must be re-inspected until it passes. However, in the case of biennial re-inspections, if a unit fails the inspection, the Housing Authority may allow the owner to self-certify that the repairs or corrections have been made. The Housing Authority reserves the right to require re-inspections for significant fail items.

### XXIII. Screening of Applicants for Family Behavior or Suitability for Tenancy

The Housing Authority performs those screenings that are required by HUD regulation. Owners are encouraged to do their own screening of tenants.

### XXIV. Voucher Suspension Policy

If the Housing Authority stops issuing vouchers for a period of time due to over-leasing or funding shortfalls, when the Agency is ready to resume the issuance of vouchers, staff will review the utilization of special purpose vouchers. If the Agency is serving less than the allocation of special purpose vouchers, new special purpose vouchers will be issued first, before general purpose vouchers.

Prior to delaying or suspending the assistance of any applicants or participants (families under contract), the Housing Authority will first take any and all administrative steps available to remedy the situation. If the Housing Authority determines that there is insufficient funding to enter into additional HAP contracts, and / or insufficient funding for the HAP contracts that are already in place, the Housing Authority will suspend vouchers in the following way.

1. Applicants who have been issued general purpose vouchers but have not yet leased a unit will have their vouchers suspended until such time as funding becomes available.
2. If funding is still insufficient, applicants who have been issued a special purpose voucher but have not yet leased a unit will have their vouchers suspended until such time as funding becomes available.

3. If funding is still insufficient, the Housing Authority will freeze voucher transfer requests of participants.
4. If funding is still insufficient, the Housing Authority will suspend the contracts of existing, general purpose, program participants beginning with the families most recently admitted to the program.
5. If funding is still insufficient, special purpose voucher holders who are under contract would be the last voucher holders to suspend, beginning with families most recently admitted to the program.

When funding becomes available, assistance will be restored in the following order:

1. Recently admitted special purpose voucher families who had their contracts suspended (#5 above) will have their assistance restored first.
2. Recently admitted general purpose voucher families who had their contracts suspended (#4 above) will have their assistance restored next.
3. Participants who have a voucher and requested a transfer (#3 above).
4. Applicants who had been issued a special purpose voucher but had not yet leased a unit (#2 above) will have their vouchers restored next.
5. Applicants who had been issued a general-purpose voucher but had not yet leased up (# 1 above) will have their assistance restored last.

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 this rent determination policy. The HACSC intends to apply this waiver to ALL households instead of excluding elderly and disabled households, which is outside of Safe Harbor, as the waiver actually benefits households.	Increases cost effectiveness for the agency; increases self-sufficiency 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 self-sufficiency 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 cost effectiveness for the agency. May increase 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 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.	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 self-sufficiency 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 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  
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#	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  
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#	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 self-sufficiency 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.

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#	Waiver Name	Waiver Description	Notes	Justification re: HUD Statutory Objectives	Impact to Agency	Impact to Families
N/A	<b>Agency-Specific Waiver</b> <b>Allow use of Tenant Income Certification (TIC) for PBV eligibility Determination</b>	Allow use of Tenant Income Certification (TIC) for PBV income verification	<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>	Increases cost effectiveness for the agency.	Reduces staff time. Decreases expenditures.	Reduces delays in new tenant processing and removes redundant demands on clients to submit the same documentation to both the owner and HACSC.



## **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

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<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.

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

<b>1.w. Tenant Rent Policies – Alternative Income Exclusions (HCV)</b>
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.
<b>Custom Question: What inclusions or exclusions will be eliminated, modified, or added?</b> 1. Income attributable to the asset-building activities our PHA implements as part of the MtW Asset Building Cohort will be excluded.
<b>This MTW activity serves the following statutory objectives:</b> <input checked="" type="checkbox"/> Cost effectiveness <input checked="" type="checkbox"/> Self-sufficiency <input checked="" type="checkbox"/> Housing Choice
<b>This MTW activity has the following cost implications:</b> <input checked="" type="checkbox"/> Increased expenditures
<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 requires a Safe Harbor Waiver to include elderly or disabled.
This MTW activity does not require a hardship policy.
This MTW activity does not require an impact analysis.

**2.b. Payment Standards – Fair Market Rents**

The HACSC shall implement a payment standard between 80% and 120% of Fair Market Rents.

**Custom Question: Please explain the payment standards by FMR.**

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.

**This MTW activity serves the following statutory objectives:**

- Cost effectiveness
- Self-sufficiency
- Housing Choice

**This MTW activity has the following cost implications:**

- Cost 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:**

- 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. The agency will meet all safe harbor requirements of the Operations Notice including (1) The agency shall establish and make available a quality assurance method to ensure impartiality; (2) The agency shall make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area; and (3) At the Department’s request, the agency must obtain the services of a third-party.

**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

### 3.b. Reexaminations. Alternative Reexamination Schedule for Households (HCV)

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. The activity as proposed meets all of the applicable safe harbor requirements in the Operations Notice including (1) Reexaminations must occur at least every three years; (2) The agency must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more; (3) Agency must implement an impact analysis; and (4) Agency must include a hardship policy.

What is the recertification schedule?

Other [If checked]: At least every three years for fixed-income families and at least every two years for all remaining families.

How many interim recertifications per year may a household request?

2 or more

**Narrative: Please describe briefly how the MTW agency plans to address changes in family/household circumstances under the alternative reexamination schedule.**

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.

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.

HACSC will reserve the right to conduct reexaminations more frequently either for administrative or for financial reasons.

This MTW activity serves the following statutory objectives:

Cost effectiveness

Self-sufficiency

This MTW activity has the following cost implications:

Increased expenditures

Decreased expenditures

Cost effectiveness

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

There is no Safe Harbor Waiver requested for this activity.

This MTW activity does require a hardship policy.

This MTW activity does require an impact analysis.

**3.d. Reexaminations. Self-Certification of Assets (HCV)**

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.

**Custom Question: Please state the dollar threshold for the self-certification of assets.**

**Threshold:** \$50,000

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

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 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 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 project-base the lower of fifty percent (50%) of the total authorized units or fifty percent (50%) of annual budget authority 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 twenty percent (20%) percent of its vouchers to attach the funding to specific affordable units. PHAs may project base an additional ten percent (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.



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

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. The HACSC will continue to be subject to Notice PIH 2013-27 where applicable, or successor notices.

This MTW activity serves the following statutory objectives:

Housing Choice

This MTW activity has the following cost implications:

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:

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.

**9.c Project-Based Voucher Program Flexibilities (PBV). Elimination of PBV Selection Process for PHA-owned Projects without Improvement, Development, or Replacement**

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 HQS compliance, NEPA review and subsidy layering review are still applicable and must be conducted. The HACSC will comply with all Safe Harbor requirements including (1) A subsidy layering review must be conducted; (2) The agency must complete site selection requirements; (3) HQS inspections must be performed by an independent entity according to 24 CFR 983.59(b) or 24 CFR 983.103(f); (4) The agency is subject to Notice PIH 2013-27 where applicable, or successor; and (5) Property must be owned by a single-asset entity of the agency, see Notice PIH 2017-21.

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 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

An MTW activity can apply to a tenant-based and or project-based voucher.

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers: **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.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. HACSC will comply with all safe harbor requirements including (1) Portability under this activity must not be restricted for more than 24 months; (2) The agency must have a clear and uniform policy in place to address how move requests are received and how they are approved/denied for PBV households; and (3) Participants must still retain the ability to request a tenant-based voucher for reasonable accommodation according to existing rules.

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

**14.a. Moving on Policy – Waive Initial HQS Inspection Requirement (HCV)**

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:

- 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:

- only to a subset or subsets of assisted households **Only residents of Permanent Supportive Housing Programs transitioning to a voucher.**

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:

- Currently assisted households only

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

- Other – another specifically defined target population or populations. The description of this population is: **Only residents of Permanent Supportive Housing Programs.**

An MTW activity can apply to a tenant-based and or project-based voucher.

- 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: **Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.**

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.

**14.b. Moving on Policy – Allow Income Calculations from Partner Agencies (HCV)**

HACSC may, at their discretion, utilize the income calculations and documentation from partner agencies for PSH households transitioning to voucher based assistance, provided that income calculations must be determined in accordance with 24 CFR 5.609 and that any income calculations accepted from partner agencies must have been calculated within the past year. 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:

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:

only to a subset or subsets of assisted households **Only residents of Permanent Supportive Housing Programs transitioning to a voucher.**

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:

Currently assisted households only

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

Other – another specifically defined target population or populations. The description of this population is: **Only residents of Permanent Supportive Housing Programs transitioning to a voucher.**

An MTW activity can apply to a tenant-based and or project-based voucher.

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: **Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.**

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.

#### 14.c Moving on Policy – Aligning Tenant Rents and Utility Payments between Partner Agencies

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:

Housing Choice

This MTW activity has the following cost implications:

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:

only to a subset or subsets of assisted households: **Only residents of Permanent Supportive Housing Programs transitioning to a voucher.**

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:

Currently assisted households only

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

Other – another specifically defined target population or populations. The description of this population is: **Only residents of Permanent Supportive Housing Programs transitioning to a voucher.**

An MTW activity can apply to a tenant-based and or project-based voucher.

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: **Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.**

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.**



## Agency-Specific Waiver

### 1. 24 CFR 982.455 Automatic termination of HAP contract. Extend zero HAP participation from 180 days to 365 days.

**Waive: 24 CFR 982.455 Automatic termination of HAP contract.** 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:

Cost effectiveness

Self-sufficiency

#### **This initiative achieves one or more of the 3 MTW above statutory objectives by:**

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.

**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 admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to:

Currently assisted households only

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

all family types

An MTW activity can apply to a tenant-based and or project-based voucher.

The MTW activity applies to all properties with project-based vouchers.

#### **This MTW activity has the following cost implications:**

Neutral

#### **The implementation timeline for the initiative is:**

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.

## Agency-Specific Waiver

### 2. 24 CFR 982.516 and 982 Subpart E and 983 - Allow use of Tenant Income Certification (TIC) for PBV eligibility determination.

**Waive:** 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.

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.

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.

This MTW activity serves the following statutory objectives:

Cost effectiveness

This activity corresponds with the HUD goal of increasing cost effectiveness by simplifying the calculation process.

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:

only to a subset or subsets of assisted households: **PBV Only**

**If previous questions is subset.**

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:

New admissions (i.e., applicants) only - **PBV Only**

**If above questions is subset.**

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

only to selected family types

Please select the family types subject to this MTW activity:

Other – another specifically defined target population or populations. The description of this population is: **PBV only.**

**If above question is subset.**

An MTW activity can apply to a tenant-based and or project-based voucher.

The MTW activity applies to all properties with project-based vouchers.

This MTW activity has the following cost implications:

Decreased expenditures

**The implementation timeline for the initiative is:**

Upon approval of MTW Supplement, Agency and Administrative Plan, and training of staff.

This MTW activity does require an impact analysis.

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: Activity 2b**

<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: Activity 2b**

<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>
The proposed waiver will not impact HACSCs termination rate.
<b>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</b>
The proposed waiver could potentially improve the utilization rate of HCV program.
<b>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</b>
The proposed waiver will support housing choice by providing the agency with greater flexibility to establish Payment Standards that reflect market rents.
<b>Impact on the agency's ability to meet the MTW statutory requirements;</b>
The proposed waiver will not impact HACSCs 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 anticipate hardship requests related to this waiver.
<b>Across the other factors above, the impact on protected classes (and any associated disparate impact).</b>
HACSC does not anticipate any impact on protected classes as a result of this waiver.
<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>
HACSC has prepared "Hardship Policy Activity 2.b. – Payment Standards" for this activity which is included with the MTW Supplement submission.

**Housing Authority of the County of Santa Cruz**  
**Hardship Policy**  
**Activity 2.b. – Payment Standards – Fair Market Rents**

Under MTW Activity 2.b., the Housing Authority of the County of Santa Cruz (HACSC) will establish payment standards for the Housing Choice Voucher (HCV) program that are between 80% and 120% of the Fair Market Rent (FMR) for each applicable bedroom size. Without this MTW flexibility, payment standards must be established between 90% and 110% of the applicable FMR.

By establishing more flexible payment standards, HACSC projects that overall program participants will benefit and that additional housing opportunities will be affordable to HCV participants including housing units in higher opportunity areas, i.e. areas with lower poverty rates and greater access to jobs, education, services and other amenities. An additional projected benefit is that housing cost burdens may decrease for some households living in units for which the payment standard increases.

The MTW Operations Notice requires that HACSC implement a hardship policy for MTW activity 2.b. HACSC will review this hardship policy during its intake and recertification process. While it is highly unlikely that any household's assistance will be terminated as a result of this activity, if this situation arises, HACSC will consider if a household qualifies for a hardship exemption at the time of potential termination of assistance that is due to this activity.

HUD requires that the hardship policy address the following potential situations:

*The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance.*

Activity 2.b. will not result in decreases to household income and, therefore, will not create a hardship in this situation. However, households who experience income decreases can request an interim recertification in accordance with HACSC's existing Administrative Plan policies.

*The family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items.*

If HACSC reduces payment standards below 90% of FMR pursuant to Activity 2.b., some existing HCV participants may experience an increase in total tenant payment (TTP) compared to their TTP prior to implementation of the reduced payment standards. To eliminate any hardship caused by this activity, HACSC will not apply the lower payment standard to families who have already leased units under the higher standard until they move to a new unit. HACSC does not expect any hardship requests as a result of this waiver and no secondary level of review will be required.



**Housing Authority of the County of Santa Cruz  
Impact Analysis: Activity 3b**

<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. The activity as proposed meets all of the applicable safe harbor requirements in the Operations Notice including (1) Reexaminations must occur at least every three years; (2) The agency must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more; (3) Agency must implement an impact analysis; and (4) Agency must include a hardship policy.</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>

**Housing Authority of the County of Santa Cruz  
Impact Analysis: Activity 3b**

All family types.

**Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).**

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.

**Housing Authority of the County of Santa Cruz  
Impact Analysis: Activity 3b**

<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 does not expect any impact to 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 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>
HACSC has prepared <b>Hardship Policy MTW Activity 3.b. - Alternative Reexamination Schedule</b> for this activity which is included with the MTW Supplement submission.

**Housing Authority of the County of Santa Cruz**  
**Hardship Policy**  
**MTW Activity 3.b. - Alternative Reexamination Schedule**

Under MTW Activity 3.b., the Housing Authority of the County of Santa Cruz (HACSC) will implement an alternative reexamination schedule that will reduce the frequency of reexaminations to at least once every three years for families with fixed incomes and to at least once every two years for all other families.

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 MTW Operations Notice requires that HACSC implement a hardship policy for MTW Activity 3.b. HACSC will review this hardship policy during its intake and recertification process. While it is highly unlikely that any household's assistance will be terminated as a result of this activity, if this situation arises, HACSC will consider if a household qualifies for a hardship exemption at the time of potential termination of assistance that is due to this activity.

HUD requires that the hardship policy address the following potential hardship situations:

*The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance; and/or,*

*The family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items.*

To address these hardships, in between regular reexaminations, the HACSC will conduct interim adjustments to redetermine subsidy when the family experiences a qualifying event upon request of the household. Qualifying events are described in the HCV Administrative Plan, and include decreases in income, changes in household composition, changes to the contract rent, changes in expenses and other situations as applicable. 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.

The interim policy will meet or exceed the safe harbor requirement of the Ops Notice and will not limit the number of interims that a family may receive.

The proposed MTW Activity 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 upon request by the family, and no secondary level of review will be required.

**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 not result in reductions to the 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.

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

HACSC anticipates that this proposed waiver will not impact the agency's current utilization rate in the HCV program.

**Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice**

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.

**Impact on the agency's ability to meet the MTW statutory requirements;**

HACSC does not anticipate that this waiver would result in any change in the Agency's ability to meet the MTW statutory requirements.

**Impact on the rate of hardship requests and the number granted and denied as a result of this activity.**

Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.

**Across the other factors above, the impact on protected classes (and any associated disparate impact).**

HACSC does not anticipate that this waiver would result in any disparate impact to any protected class.

**Implementation timeline.**

HACSC will implement this initiative upon approval of the MtW Supplement, Agency and Administrative Plan, with an anticipated operation period beginning 7/1/2023.

**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.**

Not applicable. Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.



## AGENDA ITEM SUMMARY

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**MEETING DATE:** February 22, 2023

**ITEM NUMBER:** 6B

**FROM:** Executive Director

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**SUBJECT:** Project Based Voucher RFP Evaluation Criteria Framework

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**RECOMMENDATION:** Discussion of Framework For Evaluation Criteria Used to Determine the Commitment of Project Based Vouchers (PBVs)

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### BACKGROUND SUMMARY:

In recent years, the Housing Authority has sought to expand the Project Based Voucher (PBV) program in order to support the development of affordable housing and to increase the number of units exclusively available to voucher holders. The Housing Authority maintains an open Request for Proposals (RFP) to provide interested parties with the opportunity to request PBVs to help finance new affordable developments or to support existing housing at risk of losing its affordability designation or in need of substantial rehabilitation. The Board of Commissioners establishes the evaluation criteria consistent with agency goals and priorities, and PHA staff score the applications received based on those criteria. The PBV evaluation criteria was most recently updated in April 2022.

HUD has established a PBV Project Cap, limiting the number of PBVs that may be used at any given project. The PBV Project Cap prohibits most projects from having more than the greater of 25 units or 25% of the total units with PBV assistance. For projects located in a census tract with a poverty rate of 20% or lower, the standard Project Cap is up to 40% of the total units at the project. There are exceptions to these caps, allowing projects to exceed the caps for senior housing, or for housing providing supportive services. Projects that meet these exemption criteria can project base up to 100% of their units.

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. The Housing Authority is in the process of developing the MTW Supplement to the Agency Plan, in which we will request administrative waivers available to MTW agencies. Under the MTW Waivers, if approved by HUD, the existing Project Caps and associated exception categories would no longer be applicable, and the Housing Authority would have the local discretion to PBV up to 100% of units at a project.

The Board of Commissioners have expressed concerns about increasing the PBV project cap to 100%, suggesting that some projects may overly rely on PBVs to meet financing needs, with some

board members suggesting limiting the increase to 35-40% of units at a project. Staff proposed that the PBV evaluation criteria should be reconsidered prior to implementation of any new PBV waivers, and that the evaluation criteria could provide guidance and set limitations about under what circumstances we wish to consider providing larger allocations of vouchers, up to 100% of units at a project. Staff have developed a framework for a revised PBV evaluation criteria to address the Board's concerns. The following is an overview of proposed changes to the PBV evaluation criteria that may be incorporated into the next RFP.

#### Overview of Proposed Changes:

- 1. Project Readiness:** Threshold for all projects includes a requirement to execute an AHAP within 24 months of Conditional Award letter to prevent projects from applying for vouchers too early, to encourage the exploration of other funding sources, and to prevent the commitment of vouchers for projects that are speculative and unlikely to be viable in the foreseeable future.
- 2. Project Cap:** Staff propose a new standard cap, set at the greater of 40 units or 40% of units. This represents a modest increase in the standard cap that is consistent with existing HUD criteria for low-poverty census tracts. Projects that proposed to exceed this new standard cap would be subject to additional requirements related to financial feasibility and readiness, as described below. HACSC could choose to set a high bar for projects proposing to exceed this cap.
- 3. Extent to Which HCV Waitlist Served:** Staff propose to include proposals for referral-based special purpose vouchers in the percentage of vouchers serving HCV waitlist households, since when utilized, such vouchers *do not reduce the availability of HCV vouchers* for existing waitlist households. Therefore, staff proposes that specified referral-based special purpose vouchers can be substituted 1:1 for "regular" vouchers serving existing waitlist households. For purposes of scoring Section 2 of the PBV RFP Application, applicant must provide a letter from the agency responsible for the voucher referrals, certifying that the referring agency has a sufficient waitlist to serve the project with an adequate number of referrals for the target population and that the agency supports project-basing the requested number of units. HACSC staff would approve such substitutions only when the requested voucher type is available. Making this change ensures that projects valuable to the community such as Permanent Supportive Housing, which does not serve HCV waitlist households, are afforded a more equal opportunity to qualify for PBVs if they do not reduce the number of general purpose vouchers available to waiting list applicants.
- 4. Financial Feasibility:** Staff propose a new set of criteria related to Financial Feasibility. This section would require a minimum score to pass threshold for any project seeking an award exceeding the Standard Project Cap of 40% or 40 units. Applicants would be expected to provide financial documentation enabling staff to review and score the

following four categories:

- a. **Assumptions of development and operating costs:** development cost estimates are based on recent construction cost estimates that rely on detailed construction drawings and on recent construction period interest and insurance estimates. The pro forma operating income and expense projections make realistic assumptions about increases in FMRs for the PBV units and reflect TCAC minimum operating standards. Assumptions about developer fees, debt-service coverage ratios, costs, cash flow, operating expenses, rent increases and vacancy rates should anticipate the application of HUD subsidy layering review guidelines for PBV's.
  - b. **Assumptions of Available Financing and Terms:** Sources of funds and operating income and expense projections are based on already committed sources of financing or make realistic assumptions about the competitiveness of the project for different financing programs and use the most recent available information about the terms of the financing, including required return on investment, interest rates, debt-service coverage ratio, and other financing requirements.
  - c. **Leveraging of Other Financing:** The financing plan demonstrates effective utilization of external funding sources and Project-Based Vouchers to achieve maximum feasible leveraging of other available private, state, county, and city housing finance sources appropriate to the type of project proposed. The financing plan demonstrates that the applicant has pursued (or will pursue) available state housing finance programs in addition to tax credits, as well as state/county/city land donations, commitments of local housing funds, and fee waivers. *Staff proposes to prioritize and award more points for secured funding evidenced by letter of commitment vs. anticipated sources.*
  - d. **Value-Added of Project-Based Vouchers:** The financing plan demonstrates that the award of PBVs will enable the project more effectively to serve households who need Supportive Units, hard to house families, and/or larger families than would have been feasible without the award of PBVS.
5. **Construction Readiness:** Staff propose to retitle an existing section related to Project Feasibility and Readiness to Construction Readiness and propose that all projects have a minimum threshold requiring that they demonstrate a commitment to execute an AHAP within 24 months of Conditional Award. All applicants must submit a detailed development timeline that is supported by documents providing evidence of the status of site control, land-use approvals and entitlements. Staff will evaluate the applicant's evidence of site control, land use approvals and entitlements in determining whether it is feasible to start construction within 24 months. This section would require a minimum score to pass threshold for any PBV award, and a *higher minimum threshold* to qualify for an award exceeding the Standard Project Cap of 40% or 40 units.

Projects proposing to execute an AHAP sooner than 24 months, may be awarded additional points based upon timeline to AHAP execution:

- Within 12 months of award letter date - max points
- Within 18 months of award letter date - medium points
- Within 24 months after the award letter date - minimum points

#### **6. Bonus Points**

Staff proposes to remove the bonus points associated with requesting special purpose vouchers such as FUP, Mainstream, VASH, etc. Instead, staff propose to include proposals for referral-based special purpose vouchers in the percentage of vouchers serving HCV waitlist households, since when utilized, such vouchers do not reduce the availability of HCV vouchers for existing waitlist households. This is further addressed in **3. *Extent to Which HCV Waitlist Served***, above.

Proposed staff changes to the PBV evaluation criteria were developed in order to align with our goal to support the development of affordable housing by increasing the PBV Standard Project Cap, while ensuring that applicants requesting more units than the Standard Project Cap must meet a higher bar to qualify for an award. As proposed, all projects must pass a minimum points threshold for an award of PBVs. Staff propose that applicants seeking an award in excess of the Standard Project Cap must *also* pass a higher points threshold in the newly proposed Financial Feasibility and Construction Readiness categories. Staff proposes setting the bar higher by requiring such applicants (1) demonstrate a higher degree of financial feasibility including leveraging of other sources of funds; and (2) demonstrate a higher degree of construction readiness including entitlements, site control, and a commitment to executing an AHAP on a faster timeline than the proposed 24-month threshold for all projects.

At this time, staff request feedback from the Board on the proposed changes above, and the extent to which the proposed changes are in alignment with our Agency Goals to use the Project Based Voucher (PBV) program to support the development of affordable housing and to increase the number of units exclusively available to voucher holders, while creating a new mechanism to prevent over-issuance of PBVs by setting a very high bar for projects proposing to go over the proposed cap of 40 units or 40%. Based on the Board's feedback, staff will provide a new draft PBV Evaluation Criteria for the Board's review and approval at the March or April meeting.

**RECOMMENDATION:** Discussion of Framework For Evaluation Criteria Used to Determine the Commitment of Project Based Vouchers (PBVs)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ



**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 (City of Watsonville)

**Meeting Date:** February 14, 2023

**Recommended Action(s):**

Accept nomination of Providence Alaniz to the Housing Authority Board of Accept nomination and approve appointment of Providence Alaniz to the Housing Authority Board of Commissioners, as an at-large representative of the City of Watsonville, for a term to expire February 10, 2027, as recommended by Chair Friend.

**Executive Summary**

Accept nomination to fill an at-large representative of the City of Watsonville for a term to expire February 10, 2027.

**Background**

Attached is a minute order from the January 17, 2023, Watsonville City Council meeting indicating that the City Council took action to nominate Ms. Alaniz for reappointment as the representative of the City of Watsonville to the Housing Authority Board of Commissioners. Therefore, in accordance with Resolution No. 14-23, I recommend the reappointment 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, 2027.

**Submitted by:**

Zach Friend, Chair, Board of Supervisors

**Attachments:**

Resolution No. 14-23

APPOINTED  
2/14/23

## AGENDA ITEM SUMMARY

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**MEETING DATE:** February 22, 2023

**ITEM NUMBER:** 8

**FROM:** Executive Director; Dep. Executive Director

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**SUBJECT:** Director's Report – February 22, 2023

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**RECOMMENDATION:** Receive Report

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### **BACKGROUND SUMMARY:**

Please call or e-mail me with questions you might have on any of the Agenda Items for the February 22, 2023 meeting. My phone number is (831) 454-5931 and my email address is [jennyp@hacosantacruz.org](mailto:jennyp@hacosantacruz.org).

**Housing Authority Board of Commissioners Meeting Date, Time and Location** – As a reminder, the Housing Authority Board of Commissioners is scheduled to resume in-person board meetings in March at our new meeting time of 11am, at the Housing Authority's Administrative Offices located at 2170 41<sup>st</sup> Avenue in Capitola. The meeting has been scheduled for March 29<sup>th</sup>, due to a conflict on the regular meeting date. We look forward to seeing you in person again!

**HUD Awards** – The Department of Housing and Urban Development (HUD) recognized the Housing Authority of the County of Santa Cruz with two awards during a January regional NAHRO conference. The Housing Authority received the Emergency Housing Voucher (EHV) Star Award, as well as the Strong and Steady Award. This was the first in-person regional NAHRO conference in over three years.

HUD recognized approximately seven Housing Authorities with the *Emergency Housing Voucher (EHV) Star Award* based on outstanding voucher utilization. HUD has also recognized our success by issuing the Housing Authority 11 additional EHV's. This was a team effort among staff in the Administrative Services Department and the Housing Program Department, with incredible support from the Housing for Health Division of the County Human Services Department as well as a collaborative of other community partners.

Additionally, HUD recognized two Housing Authorities with the *Strong and Steady Award*. The Housing Authority of the County of Santa Cruz received this award for our continued ability to innovate, implement new programs, and sustaining consistent and effective administration of key services. This award is reflective of our ability to adapt to changing HUD requirements, seek opportunities such as FMR studies, Streamlined Voluntary Conversion, and MTW program, while continuing to meet the needs of our clients through unprecedented challenges.

**Affirmatively Furthering Fair Housing Proposed Rule** – On January 19<sup>th</sup>, HUD released its Affirmatively Furthering Fair Housing (AFFH) Proposed Rule. The rule represents HUD's efforts to implement the obligation to affirmatively further fair housing, as required by the Fair Housing Act. The

proposed rule applies to PHAs and jurisdictions that must submit consolidated plans due to Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), HOME Investment Partnerships, Housing Opportunities for Persons with AIDS (HOPWA), or Housing Trust Fund (HTF) funding.

HUD has been working to implement some form of AFFH rule for years. This work began during the Obama administration with the AFFH rule that was finalized in 2015 but was not fully implemented. During the Trump administration, the Obama AFFH rule was rescinded and replaced with the “Preserving Neighborhood and Community Choice” (PNCC) rule. The PNCC rule was then rescinded with the Biden administration’s “Restoring Affirmatively Furthering Fair Housing Definitions and Certifications” interim final rule, released in 2021.

According to HUD, the new proposed rule aims to create “a streamlined, less burdensome” analysis than the original Obama era 2015 rule that will help PHAs and jurisdictions establish fair housing goals. HUD has also renamed the “Assessment of Fair Housing” (AFH) the “Equity Plan”. Under the new rule, PHAs and jurisdictions will use HUD provided data, local data, and local knowledge to conduct an analysis of fair housing and equity issues and develop goals related to those issues. Entities required to complete an Equity Plan within a shared county or region may partner to prepare a joint plan. Upon finalization of the proposed rule, PHA staff will reach out to the jurisdictions to discuss opportunities for partnership. Based on information in the proposed rule, the Housing Authority will not be required to complete the AFFH Plan until 2026 or later.

**Natural Bridges Update** – New Horizon continues to work through the final logistics of the pre-development stages for Natural Bridges. The City approved the Affordable Developer Agreement and the SRO Management Plan. As of preparing this update, the third submission of the construction drawings received approval from every City department except for the Police Department, which is expected by Friday, February 17. The Housing Authority is working with the title company and our attorney to finalize the purchase and sale agreement and grant deed and expects to execute these documents within the next few days. Upon the execution of the purchase and sale and recording the transfer of ownership, New Horizons will execute the Affordable Development Agreement, the contract with Bogard Construction Inc., and will obtain the formal approval of the construction drawings from the City. New Horizons expects to start excavation and grading work at the site this month. Occupancy is scheduled for Spring 2024. In January, the Housing Authority received notice of approval for funds in the amount of \$50,000 from the Central Coast Community Energy (CCCE) to support the construction of an all-electric development. These funds will be issued either at the time of certificate of occupancy or notice of completion can be provided to CCCE.