

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
May 17, 2023 at 11:00 a.m.
HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
2160 41st Avenue, Capitola, CA 95010

1. Roll Call

HOUSING AUTHORITY BOARD OF COMMISSIONERS:

Chairperson Andy Schiffrin	4 year term expires, March 17, 2027
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, 2025

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

A. Minutes of the Regular Meeting held April 19, 2023

Motion to Approve

B. Quarterly Financials

Receive Report

C. Application for Family Unification Program (FUP) Grant

Adopt Resolution No. 2023-05: Resolution Authorizing Submission of a Family Unification Program Application to the U.S. Department of Housing and Urban Development (HUD) under the Housing Choice Voucher Program

D. City of Santa Cruz Housing Element

Receive Report; Authorize Staff to Provide Additional Feedback to City of Santa Cruz Staff Regarding Housing Element Draft

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 Budget for FY 2023-2024

Approve Agency Budget for FY 2023-2024

B. Role of Housing Authority and New Horizons Affordable Housing and Development in Affordable Housing Supply

Receive Report; Adopt Staff Recommendation and Authorize Staff to Begin Exploring Opportunities Consistent with Recommended Strategies

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 APRIL 19, 2023, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 1

Roll Call

Chairperson Schiffrin called the meeting to order at 11:02 a.m. Members present Chairperson Schiffrin, Vice-Chairperson Berg, Commissioners Eligio, Martinez Alaniz, Melendrez, and Schmale

Members Absent

Commissioner Morales(excused)

Staff Present

Jennifer Panetta, Tom Graham, Courtney Byrd and Kate Calderon 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 Melendrez moved for the approval of the Consent Agenda; Commissioner Eligio seconded the motion and it as passed by the following vote:

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

Agenda Item 3A. Approved Minutes of the Special Meeting March 29, 2023

Agenda Item 3B. Received Report Housing Authority Agency Goals – FY23 Quarter 3 Report

Agenda Item 3C. Received Report New Horizon Programs and Services – FY23 Quarter 3 Report

Agenda Item 3D. Received Report Emergency Housing Voucher Program Utilization

AGENDA ITEM NO. 4

Oral Communications

None.

AGENDA ITEM NO. 5

Unfinished Business

None.

AGENDA ITEM NO. 6A

Project Based Voucher RFP Evaluation Criteria

Secretary Panetta reminded the Board that 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 PBV evaluation criteria was most recently updated in April 2022, and a February 22, 2023 staff report proposed a new PBV scoring framework to coincide with the implementation of PBV Moving To Work (MTW) waivers. The Board expressed general

support for the framework outlined by staff. However, the Board did have questions and express some concern about the requirement to reach AHAP within two years. The Board suggested Secretary Panetta reach out to community stakeholders to get feedback on timing issues to ensure the proposed requirement would not result in unintended consequences. At the Board's direction, staff reached out to affordable housing developers as well as an affordable housing finance consultant to get their feedback on the Housing Authority's proposed criteria. Based on their feedback, staff has an updated criteria for the Board's consideration.

Secretary Panetta informed the Board that initially staff proposed a new PBV Standard Cap set at the greater of 40 units or 40% of project units. After speaking to stakeholders, staff is now proposing revising the PBV Standard Cap to the greater of 25 units or 40% of project units. Secretary Panetta informed the Board that there are also proposed revisions to the criteria related to metrics for evaluating financial feasibility of the project. Secretary informed the Board that there are also proposed changes to the number of points that specific criteria are awarded including Project Type, Management and Owner Experience, Construction Readiness, Financial Feasibility and Leverage of Other Sources Funding. A discussion followed.

Commissioner Martinez Alaniz moved to Adopt Revised Evaluation Criteria Used to Determine the Commitment of Project Based Vouchers (PBVs) with added Direction for Staff to give Quarterly Reports to the Board; Commissioner Melendrez seconded the motion and it as passed by the following vote:

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

AGENDA ITEM NO. 7 Written Correspondence
None.

AGENDA ITEM NO. 8 Report of Executive Director

Deputy Executive Director Graham updated the Board on the 415 Natural Bridges Development. Deputy Executive Director Graham informed the Board that the site contains seven trees six of which have been identified for removal to allow construction to begin. Four of the trees have nesting birds which are protected by federal and state regulations delaying the ground-breaking. New Horizons continues to monitor the nesting birds.

Deputy Executive Director Graham informed the Board that the Housing Authority interview area and lobby is in the process of being updated.

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Executive Director Panetta informed the Board that Housing Authority staff joined Housing Matters and other community partners for the March Against Homelessness.

Executive Director Panetta informed the Board that May is Affordable Housing Month! The Housing Authority is taking a leadership role in organizing a number of events. The Housing Authority will hold a ground-breaking ceremony at 415 Natural Bridges as well as attending other events. Executive Director Panetta will email the Board the list of events the Housing Authority will be attending and keep the Board informed of any future community events the Housing Authority will be involved in.

Executive Director Panetta informed the Board that the County of Santa Cruz is in the process of updating the Housing Element. Housing Authority staff are participating in the stakeholder group providing the County feedback.

Executive Director Panetta informed the Board that at the request of a Board of Commissioner, staff has reached out to partner agencies to engage in a dialog on the topic of Tenant Protection Resources. Based on this dialog, Housing Authority staff have updated the Housing Authority website and created a flyer that is available in the lobby.

Executive Director Panetta gave the Board a legislative update.

Executive Director Panetta informed the Board that Pacific Southwest Regional Council (PSWRC) , has partnered up with the National Association of Housing and Redevelopment Organization (NAHRO) to offer a virtual classroom webinar training Housing Authority Commissioner Fundamentals. Executive Director Panetta will email the Board with more information about this training.

Executive Director Panetta informed the Board that staff just found out that the Housing Authority was awarded 41 additional vouchers by HUD. These vouchers are Stability Vouchers which are similar to Emergency Housing Vouchers (EHV).

AGENDA ITEM NO. 9 Reports from Board Members
None.

AGENDA ITEM NO. 10 Closed Session
None.

AGENDA ITEM NO. 11 Report on Closed Session
None.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 12:25 p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Seventeenth of May, 2023.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING APRIL 19, 2023, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: May 17, 2023

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: Quarterly Financials

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

The year-to-date financial reports, as of March 31, 2023, take us 9 months, or 75%, into the current fiscal year. The total of all revenue, excluding HAP reimbursements, is 71% of total budgeted, while HAP is 73% of the amount budgeted. Total expenses, excluding HAP, are 68% of the amount budgeted. Total non-HAP revenue and non-HAP expenses are under budget as a result lower than anticipated capital expenditures overall.

The agency as a whole is experiencing a year-to-date surplus of \$1,079,987, which is higher than anticipated, due to total personnel costs (salaries and benefits) and general administrative expenses 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	\$722,349	Vouchers, Mod Rehab & Mob Rehab SRO
Federal Housing Programs	(57,204)	Casa Pajaro & Tierra Alta Farm Labor Housing
Federal Grants	(11,407)	Family Self Sufficiency & Shelter Plus Care Grants
Local Programs	4,084	Security Deposits, Landlord Incentives, Eligibilities
Business Activities	422,165	Includes 41st Ave Offices & Mission St Warehouse
Agency-Wide Surplus	\$1,079,987	

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

Family Self Sufficiency (FSS)	(\$11,407)	(Grant funds insufficient to cover personnel costs)
Casa Pajaro	(\$27,174)	(Maintenance and operations expense exceeds rental income)
Tierra Alta	(\$30,030)	(Maintenance and operations expense exceeds rental income)

RECOMMENDATION: Receive Report

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

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Budget Comparison - All Funds

Agency-Wide Summary

Fiscal Year to Date for the Period July 1, 2022 - March 31, 2023 (3rd Quarter)

		2022-2023	
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	85,533,047	116,679,920	73%
Administrative Fees	7,065,337	9,010,061	78%
Grants / Contracts	563,262	966,416	58%
Rental Income	1,275,934	1,711,806	75%
Operating Transfers In	328,616	1,316,124	25%
Other Income	66,760	94,862	70%
Total Revenues:	94,832,955	129,779,189	73%
Expenses:			
Housing Assistance Pmts	85,533,047	116,679,920	73%
Salaries	3,426,452	4,694,253	73%
Employee Benefits	1,554,951	2,436,384	64%
Capital Purchases	353,395	1,306,424	27%
Maintenance	434,704	466,036	93%
General Administrative	1,554,897	2,277,247	68%
Tenant Services	847,501	939,007	90%
Operating Transfers Out	48,022	60,615	79%
Debt Service	0	7,294	0%
Total Expenses:	93,752,967	128,867,180	73%
Surplus (Deficit):	1,079,987	912,009	

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Budget Comparison - Section 8

Includes Mod Rehab, Mainstream, and Santa Cruz Voucher Program

Fiscal Year to Date for the Period July 1, 2022 - March 31, 2023 (3rd Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	84,936,296	115,877,197	73%
Administrative Fees	6,545,385	8,159,181	80%
Grants / Contracts	-	-	0%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	15,423	22,724	68%
Total Revenues:	91,497,103	124,059,102	74%
Expenses:			
Housing Assistance Pmts	84,936,296	115,877,197	73%
Salaries	2,896,035	3,840,248	75%
Employee Benefits	1,372,320	2,094,825	66%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	1,154,348	1,582,597	73%
Tenant Services	415,755	202,500	205%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	90,774,755	123,597,367	73%
Surplus (Deficit):	722,349	461,735	

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Budget Comparison - Federal Housing

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

Fiscal Year to Date for the Period July 1, 2022 - March 31, 2023 (3rd Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	-	-	0%
Rental Income	539,028	768,397	70%
Operating Transfers In	23,820	724,069	3%
Other Income	30,880	41,376	75%
Total Revenues:	593,728	1,533,842	39%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	130,998	191,567	68%
Employee Benefits	46,212	81,946	56%
Capital Purchases	17,515	724,069	2%
Maintenance	320,009	333,800	96%
General Administrative	86,980	123,882	70%
Tenant Services	1,195	-	0%
Operating Transfers Out	48,022	60,615	79%
Debt Service	-	7,294	0%
Total Expenses:	650,932	1,523,173	43%
Surplus (Deficit):	(57,204)	10,668	

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Budget Comparison - Federal Grants

Includes Family Self Sufficiency and Shelter Plus Care Grants

Fiscal Year to Date for the Period July 1, 2022 - March 31, 2023 (3rd Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	596,751	802,723	74%
Administrative Fees	-	-	0%
Grants / Contracts	113,357	191,916	59%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	-	-	0%
Total Revenues:	710,108	994,639	71%
Expenses:			
Housing Assistance Pmts	596,751	802,723	74%
Salaries	74,244	147,493	50%
Employee Benefits	45,712	68,590	67%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	894	1,933	46%
Tenant Services	3,914	26,607	15%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	721,515	1,047,346	69%
Surplus (Deficit):	(11,407)	(52,707)	

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Budget Comparison - Local Programs

Includes programs funded by the local jurisdictions

Fiscal Year to Date for the Period July 1, 2022 - March 31, 2023 (3rd Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	449,904	774,500	58%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	5,290	9,100	58%
Total Revenues:	455,194	783,600	58%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	15,046	42,765	35%
Employee Benefits	3,994	16,069	25%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	5,434	13,645	40%
Tenant Services	426,636	709,900	60%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	451,110	782,379	58%
Surplus (Deficit):	4,084	1,221	

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 and Merrill Road

Fiscal Year to Date for the Period July 1, 2022 - March 31, 2023 (3rd Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	519,952	850,879	61%
Grants / Contracts	-	-	0%
Rental Income	736,906	943,409	78%
Operating Transfers In	304,796	592,055	0%
Other Income	15,167	21,662	70%
Total Revenues:	1,576,821	2,408,005	65%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	310,128	472,180	66%
Employee Benefits	86,712	174,954	50%
Capital Purchases	335,880	582,355	58%
Maintenance	114,695	132,236	87%
General Administrative	307,241	555,189	55%
Tenant Services	-	-	0%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	1,154,656.25	1,916,914	60%
Surplus (Deficit):	422,165	491,091	

AGENDA ITEM SUMMARY

MEETING DATE: May 17, 2023

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: Application for Family Unification Program (FUP) Grant

RECOMMENDATION: **Adopt Resolution No. 2023-05:** Resolution Authorizing Submission of a Family Unification Program Application to the U.S. Department of Housing and Urban Development (HUD) under the Housing Choice Voucher Program

BACKGROUND SUMMARY:

The Department of Housing and Urban Development (HUD) has made funding available for the Family Unification Program (FUP). FUP is a program under which housing assistance is provided through the Housing Choice Voucher (HCV) program in partnership with the Public Child Welfare Agency.

Eligible households include families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child or children in out-of-home care; or the delay of discharge to the family from out-of-home care; additionally, rental assistance through the FUP program may be provide to youth, at least 18 and not more than 24 years of age, who left foster care or will leave foster care within 90 days, and are homeless or at risk of homelessness.

Currently, HACSC has 218 FUP vouchers in our program. This FUP funding notice establishes a maximum award threshold based on current PHA HCV program size. The Housing Authority of the County of Santa Cruz is eligible to apply for a maximum of 75 additional FUP vouchers.

RECOMMENDATION: **Adopt Resolution No. 2023-05:** Resolution Authorizing Submission of a Family Unification Program Application to the U.S. Department of Housing and Urban Development (HUD) under the Housing Choice Voucher Program

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

**BEFORE THE HOUSING AUTHORITY OF THE COUNTY
OF SANTA CRUZ, STATE OF CALIFORNIA**

RESOLUTION NO. 2023-05

On the motion of Commissioner
Duly seconded by Commissioner
The Following Resolution is Adopted:

**RESOLUTION AUTHORIZING SUBMISSION OF FAMILY UNIFICATION PROGRAM
APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT (HUD) FOR ADDITIONAL HOUSING CHOICE VOUCHERS UNDER
THE FAMILY UNIFICATION PROGRAM**

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has published the Notice of Funding Availability; and

WHEREAS, there is an urgent need in the County for more vouchers of every kind; and

WHEREAS, the Housing Authority of the County of Santa Cruz is the designated Public Housing Agency (PHA) for said County.

NOW, THEREFORE, BE IT RESOLVED that the Executive Director of the Housing Authority of the County of Santa Cruz is authorized to submit a Family Unification Program application to HUD for additional Housing Choice Vouchers under the Family Unification Program.

PASSED AND ADOPTED by the Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this Seventh of May, 2023 by the following vote:

AYES:

NOES:

ABSENT:

Chairperson of the Authority

ATTEST:

Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: May 17, 2023

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: City of Santa Cruz Housing Element

RECOMMENDATION: Receive Report; Authorize Staff to Provide Additional Feedback to City of Santa Cruz Staff Regarding Housing Element Draft

BACKGROUND SUMMARY:

A Housing Element (HE) is mandatory section of a local general plan that serves as the blueprint for residential growth. HEs are critical planning documents that help shape communities and demonstrate how a jurisdiction will attempt to reach its Regional Housing Needs Allocation (RHNA) goals through zoning, development incentives, and other tools. HEs are renewed once every five to eight years and drafted through a participatory process. Once finalized, each jurisdiction must submit their HE to the California Department of Housing and Community Development (HCD) for review. Each jurisdiction must adopt an HE that is substantially compliant with state law.

Timeline and Process of the City of Santa Cruz 2023-2031 Housing Element Update

The City of Santa Cruz is a member of the Association of Monterey Bay Area Governments (AMBAG), which is responsible for allocating the RHNA among the jurisdictions in Santa Cruz and Monterey Counties. AMBAG released its Final RHNA Plan in October 2022, which allocated 3,736 units of varying income levels to the City of Santa Cruz. The City began its HE development shortly after the Final RHNA Plan was released, performing various analyses and hosting community workshops. Housing Authority staff participated in a stakeholder workgroup, as well as a community workshop.

The Public Review Draft was released in late March. The City accepted public comments on the draft HE through April 25th and may revise the plan based on the feedback received. The Public Review Draft was presented to the Planning Commission on April 20th and to the City Council on April 23rd. The City will submit the revised HE to HCD in the summer. By December 15, 2023, the City must adopt a substantially compliant HE.

Summary of Objectives Related to the Housing Authority of the County of Santa Cruz

The majority of goals stated by the City of Santa Cruz relate to the production of housing. As a result, the City has identified a number of tools that aim to facilitate housing development and preservation at all income levels. For example, the City will review the Zoning Ordinance to

remove regulatory barriers, permit alternative housing types to meet the needs of single-person and special needs households, and to provide incentives for developing affordable housing. As the Housing Authority expands its nascent development activities, there will be opportunities for the Housing Authority to engage in activities that can support the goal of affordable housing production.

The City has multiple objectives that also relate to the project-based voucher (PBV) program. First, policy 2.1 states that the City will seek to “enable mixed-income projects that encourage greater diversity in housing projects.” Income-mixing is a strong tool that helps to deconcentrate poverty and is a tenet of the PBV program. The Housing Authority was identified as a partner in policy 2.4, which states the goal to support public-private partnerships in affordable housing development. Awarding PBVs to qualified projects will directly serve this purpose. For special needs and homeless populations, the City intends to create housing for low-income families with children, persons with disabilities, and provide permanent supportive and transitional housing. Many PBV developments target these populations, and the Housing Authority also maintains several special purpose voucher programs for such families.

The City has also identified policies for financial incentives that can be accessed by voucher holders. First, policy 4.1 explains that the City will continue to fund a security deposit program for low-income households and contribute to an emergency rental assistance program that prevents immediate eviction. Policy 6.1 states that “the City shall mitigate displacement risks and seek to remove barriers to housing choice vouchers.” The City coordinates with the Housing Authority to award financial incentives to housing providers that rent to voucher holders and to fund tenant assistance programs. Lastly, through Policy 6.3, the City will strive to “support the development and marketing of accessible housing, senior housing, and tenant services.” The City would like to work with the Housing Authority to establish a list of properties that are suitable and available for seniors and persons with disabilities.

Additional Opportunities for Partnership with the City

Housing Authority staff have a very strong partnership with the City of Santa Cruz. City staff and elected officials have historically been very supportive of HA programs and services, and have sought to support and supplement HA programs and services through a variety of ways including funding for security deposits and landlord incentives. HA staff have already engaged with City staff on aspects of the HE through the stakeholder workgroup, and the community workshop, and staff are supportive of the objectives in the draft HE.

However, there are still opportunities to further strengthen our partnership and the potential to expand on the existing HE. For example, the City could identify the Housing Authority as a key partner in the development and preservation of affordable housing in the City by recognizing the role of the PBV program in stimulating and supporting affordable housing development. The City could identify the PBV program as a critical tool in the production of affordable housing and market the program to developers. The Housing Authority and the City could promote the potential use of HCVs to meet inclusionary zoning requirements, to help ensure new developments are financially viable even with a portion of units designated for low-income households. By renting the inclusionary units to a voucher holder, the owner will be able to satisfy inclusionary requirements while also collecting market rents.

Additionally, the City could expand efforts to market HCVs to housing providers and to ensure that housing providers practice non-discriminatory consideration of voucher holders as eligible applicants to rental properties, as well as to assist in filing fair housing claims if a tenant needs support with such a claim.

Finally, the City stated that it intends to consult with the Housing Authority to establish a list of properties that are suitable and available for seniors and people with disabilities. The Housing Authority currently maintains a list of local rent-restricted housing complexes, which includes Section 202 properties, Section 811 properties, and other units appropriate for these populations. This list will be shared with the City and is available to the public on our website.

The full text of the Draft City of Santa Cruz Housing Element is available online here: <https://www.cityofsantacruz.com/government/city-departments/planning-and-community-development/long-range-policy-planning/general-plan/housing-element>

Housing Authority staff welcome any additional feedback regarding the City of Santa Cruz Housing Element objectives that relate to the Housing Authority's work, or the proposed feedback to City staff.

RECOMMENDATION: Receive Report; Authorize Staff to Provide Additional Feedback to City of Santa Cruz Staff Regarding Housing Element Draft

AGENDA ITEM SUMMARY

MEETING DATE: May 17, 2023

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Agency Budget for FY 2023-2024

RECOMMENDATION: Approve Agency Budget for FY 2023-2024

BACKGROUND SUMMARY:

We are pleased to present the proposed FY2023-2024 budget for the Housing Authority of the County of Santa Cruz. Of the Agency's five program groups listed on page 19 (Section 8, Federal Housing, Federal Grants, Local Programs, and Business Activities), four program groups have budget surpluses anticipated for the coming year. It's a positive sign for the Agency's revenue sources to align with each program's financial need since surplus funding is generally restricted for the sole benefit of a given program and cannot be used to supplement funding deficits in other program areas with the exception of Moving-to-Work (MTW) fungibility.

The deficit in the Federal Housing program group (Page 29) is a result of the increased wastewater related expenses at Tierra Alta and rents being insufficient to cover costs associated with aging infrastructure. The planned mid-fiscal year transition from USDA flat rents to income based rents at Tierra Alta and Casa Pajaro will set the stage for balanced budgets at those two properties starting the following year.

The Business Activities program group (Page 40) and Section 8 program group (Page 22) are projected to generate the majority of the overall Agency-wide surplus of \$236,456. The \$74,723 surplus for the Business Activities program group is a result of the commercial rental income generated by the Authority owned buildings on 41st Avenue and Mission Street.

The Section 8 program group's current lease up rate is almost 93% with 5,383 households served in the various voucher programs including the main Section 8 voucher program, Emergency Housing Vouchers, Mainstream, and Moderate Rehabilitation. The Agency's budget reflects a steady monthly increase in the lease up rates in large part from new project-based voucher developments which will result in a projected lease up rate of almost 98% with 5,656 households receiving assistance by the end of the upcoming fiscal year.

The quarterly voucher program lease up goals and the corresponding HAP are listed in the table below:

	Sept 2023	Dec 2023	Mar 2024	Jun 2024
Unit Count	5,456	5,564	5,591	5,656
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The reserve balances for each of the Agency’s programs are listed on page 12. While the combined Section 8 program group’s unrestricted reserve balance of just over \$4.7 million continues to increase at a steady rate, it excludes the Pension and Other Post Retirement Benefits (OPEB) unfunded liabilities which are now approaching almost \$7.5 million as of the most audit. The budget figures include a proposed strategic repositioning of \$500,000 from the Section 8 Program and \$250,000 from the Mission Street warehouse commercial rental income proceeds for the upcoming budget year to pre-fund the Agency’s IRS Section 115 Pension Trust to proactively address the Agency’s unfunded pension obligations. The preservation of the former Low Income Public Housing (LIPH) reserve funds also provides the Agency with an opportunity to make significant headway in pre-funding the pension obligations which will help relieve the budgetary strain of rising pension costs in the future. As part of the upcoming LIPH program closeout following conversion of those units to New Horizons, the program’s \$1.12 million share of pension and Other Post Retirement Benefits (OPEB) liabilities will be funded from the total LIPH residual program reserves of \$7.28 million.

The Housing Authority will be using the remaining \$6.16 million of the residual LIPH reserves to loan New Horizons the funds for construction of the 20 unit development at 415 Natural Bridges. The repayment of this construction loan allows the funds to serve a dual purpose of financing the development of Natural Bridges as well as helping to address the unfunded pension liability and other financial obligations when the funds return back to the Housing Authority upon repayment of the loan.

With anticipated increases in Section 8 lease up rate and high admin fee proration levels, the Agency is in a financial position to help restore the purchasing power of staff salaries in this high

inflation environment. According to the Consumer Price Index for All Urban Consumers, the U.S. Bureau of Labor Statistics reports the all items index increased by 5.0% over the last 12 months for the most recently available period ending March 2023. The budget proposal includes a 4% COLA effective during the first pay period of the new fiscal year and further implementation of the salary comparability study originally implemented in 2021. Upon completing the implementation of the proposed salary comparability adjustment, the compensation for all positions will be within at least 5% of the index-adjusted comparable positions at the comparator agencies from the study. Overall, the proposed 4% COLA and additional phase in of the comparability study implementation would increase total personnel costs (salaries and benefits) by 6.4%.

RECOMMENDATION: Approve Agency Budget for FY 2023-2024



Executive Director

Jennifer Panetta

Finance Director

Aaron Pomeroy

Board of Commissioners

Andy Schiffrin, Chairperson

Carol Berg, Vice-Chairperson

Ligaya Eligio

Providence Martínez Alaníz

Annette Melendrez

Silvia Morales

Richard Schmale

Proposed Budget

2023-2024

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2023 - 2024
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BUDGET TERMS

TERM	DESCRIPTION	COMMENTS
Administrative Fees	Fees derived from contracts or services	Section 8 admin fees are earned on each HAP contract on the first of each month. Admin fees earned for other programs are received from services provided or derived from a fee schedule or composite labor rate.
Grants/Contracts	Funding from grants or contracts with various agencies to perform specific services.	Includes grant and contracts with local, state, and federal agencies
Rental Income	Rental Income on Housing Authority owned property	Dwelling rental income from HUD and USDA programs and non-dwelling rental income for Housing Authority owned buildings.
Operating Transfers In	Transfer of funds from one program or fund to another	Sources of Operating Transfers In are from reserves funds or funding from outside sources.
Other Income	Income that does not conform to the other categories	Examples include laundry vending receipts, tenant charges for repairs, proceeds from repayment agreements, and interest income.
Housing Assistance Payments (HAPs)	Supplemental rent payments made directly to landlords on behalf of qualified low-income tenants	These are pass-through funds provided by the United States Department of Housing and Urban Development (HUD).
Salaries	Salaries for administrative and maintenance staff	
Employee Benefit Expenses	Payroll taxes and fringe benefits for long-term, permanent staff	Benefits: Health, dental, vision, retirement life, accidental death and dismemberment, short-term and long-term disability. Taxes: Medicare, and unemployment.
Capital Purchases	Equipment purchases and site or building improvements that meet the Agency's capitalization threshold.	These items are capitalized and depreciated over the term of their useful lives. Purchases not meeting the minimum threshold of \$5,000 are expensed when incurred.

BUDGET TERMS

TERM	DESCRIPTION	COMMENTS
Maintenance	Costs of maintenance and repair of buildings and equipment	Included in this category is the maintenance and repair of buildings, appliances, office equipment, service contracts, and utilities.
General Administrative	Items of administrative expense for which no specific account is prescribed in the other categories	Included in this category is the cost of most overhead expenses such as office supplies, postage, telephone, etc. Also includes legal fees, training, travel, audit fees, office lease payments, and insurance.
Tenant Services	Support services, landlord incentives, and security deposit assistance provided to low income participants through federal and local programs.	Includes services or participant assistance provided through contracts with various federal and local jurisdictions and services/programs administered by the HA staff.
Operating Transfers Out	Transfers from one program or fund to another.	Includes transfers to reserve accounts, loans to affiliated entities, and pre-funding of external pension accounts.
Debt Service	Includes principal and interest payments.	Notes are secured by the underlying properties.

Budget Narrative

The proposed FY2023-2024 budget for the Housing Authority of the County of Santa Cruz includes five program groups listed on page 19 (Section 8, Federal Housing, Federal Grants, Local Programs, and Business Activities), with four program groups having budget surpluses anticipated for the coming year. It's a positive sign for the Agency's revenue sources to align with each program's financial need since surplus funding is generally restricted for the sole benefit of a given program and cannot be used to supplement funding deficits in other program areas with the exception of Moving-to-Work (MTW) fungibility.

The deficit in the Federal Housing program group (Page 29) is a result of the increased wastewater related expenses at Tierra Alta and rents being insufficient to cover costs associated with aging infrastructure. The planned mid-fiscal year transition from USDA flat rents to income based rents at Tierra Alta and Casa Pajaro will set the stage for balanced budgets at those two properties starting the following year.

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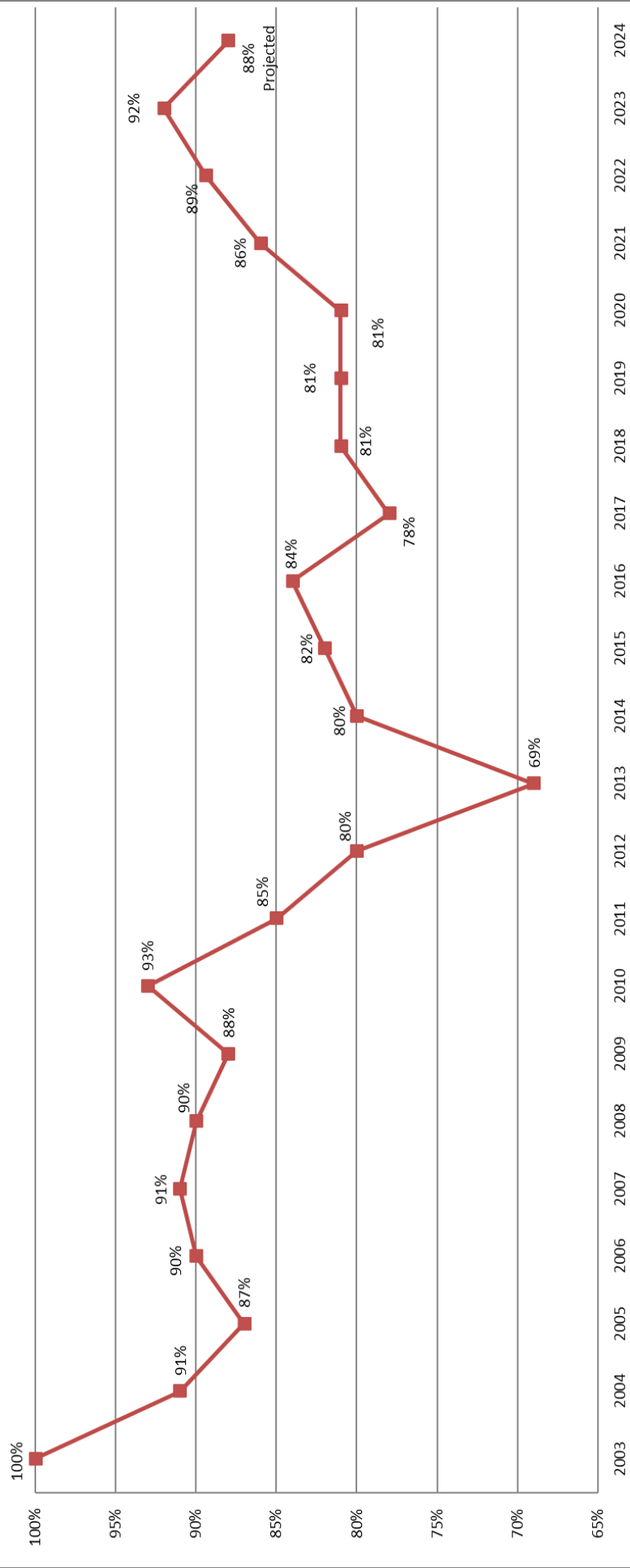
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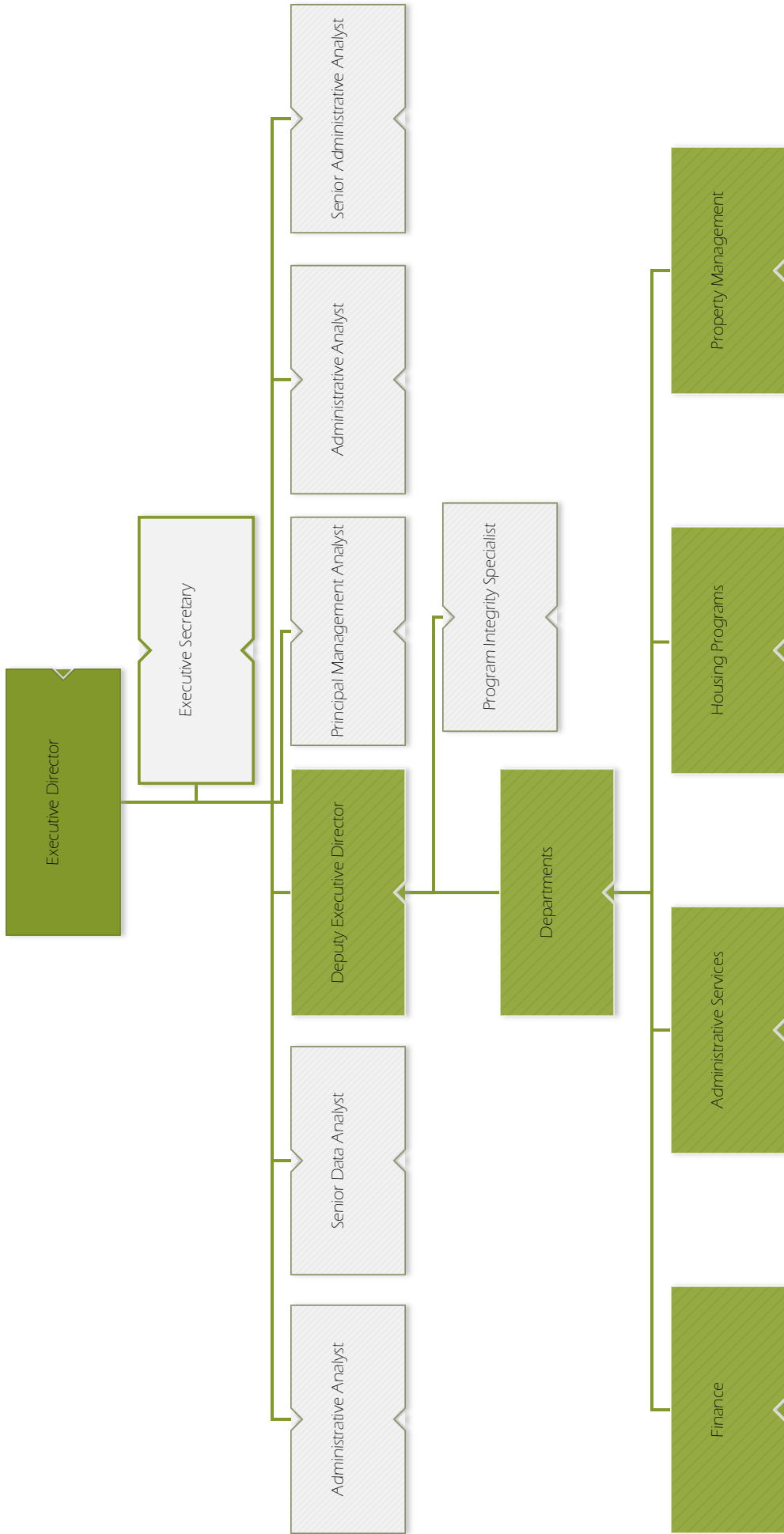
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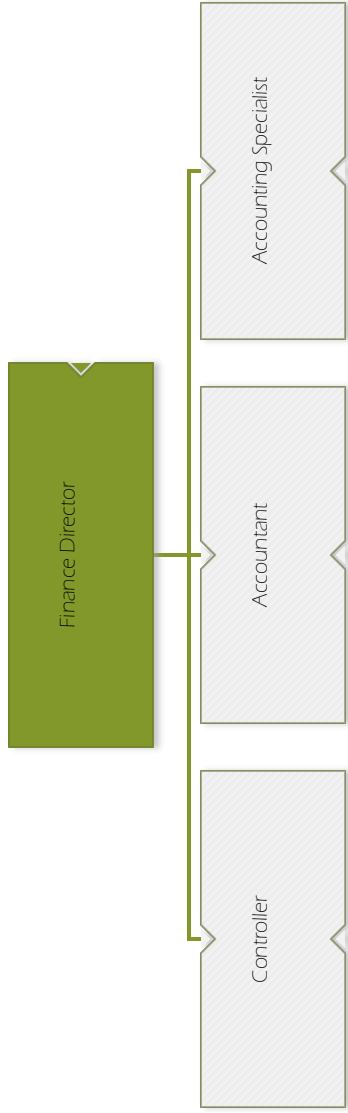
Section 8 Administrative Fee Prorations 2003-2024





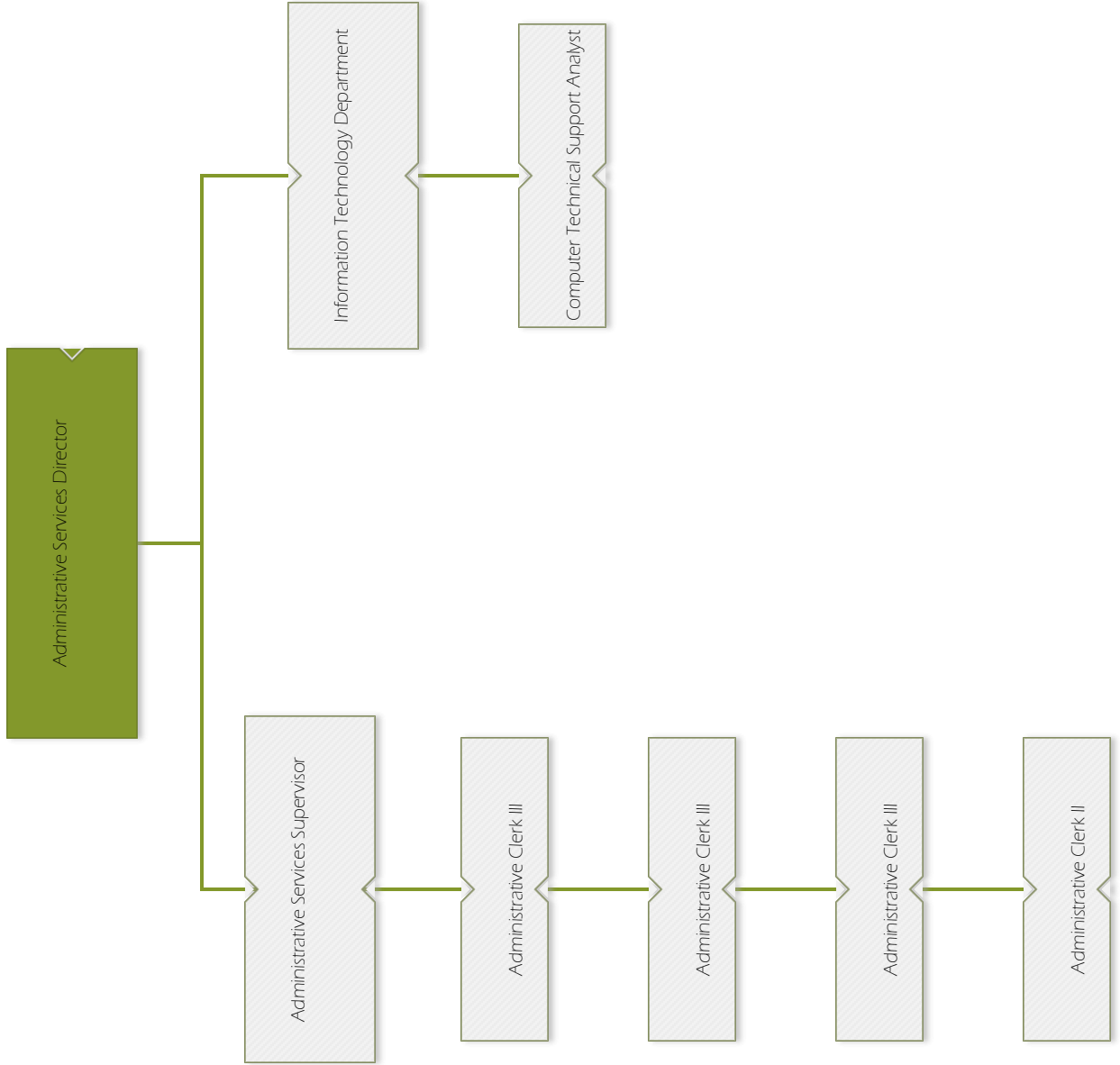


Finance Department



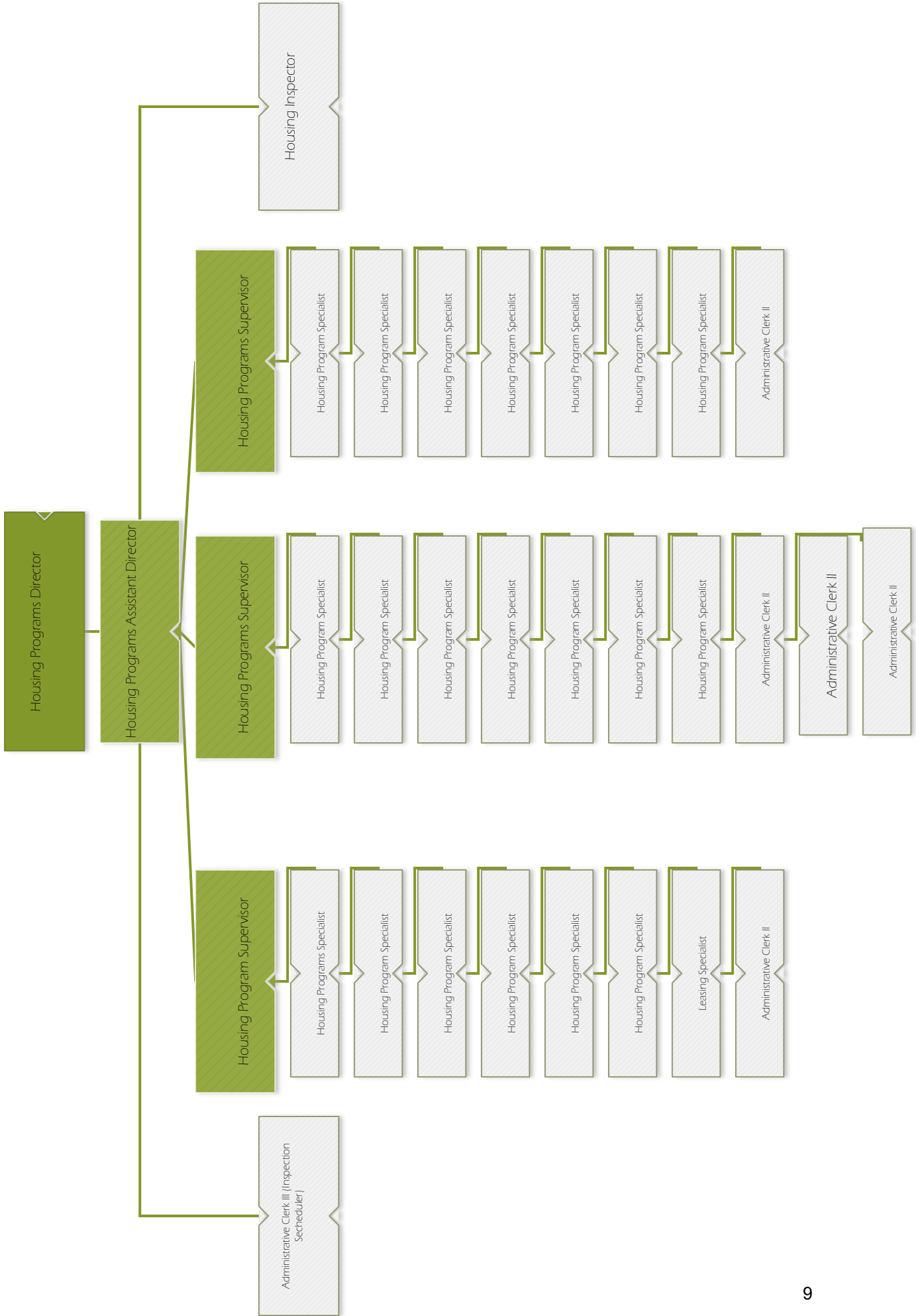


Administrative Services Department



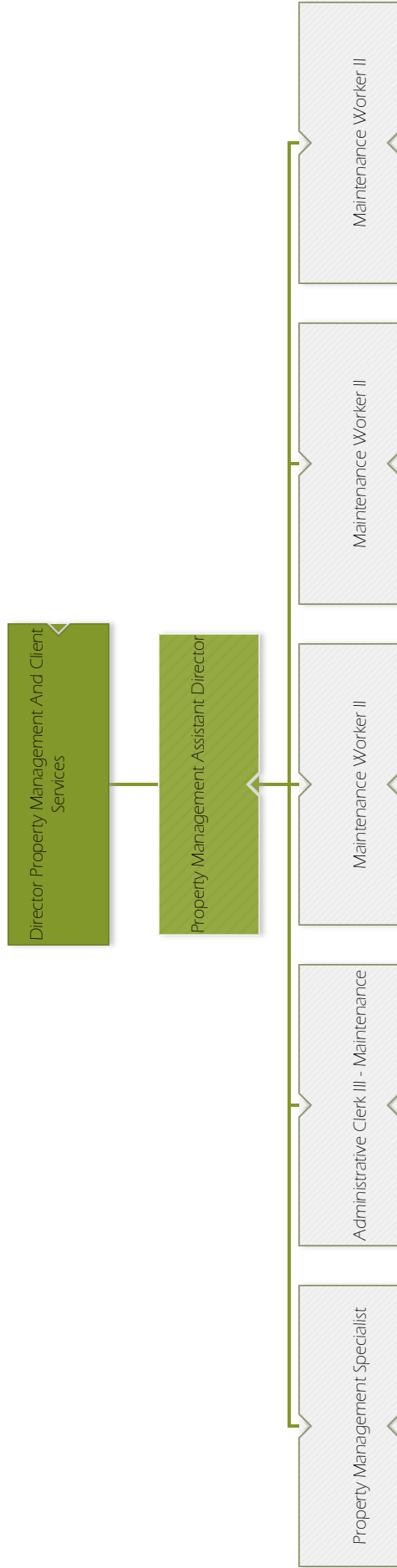


Housing Programs Department





Property Management Department



**Position Summary
2023-2024**

Administration	
Executive Director	1
Deputy Executive Director	1
Principal Management Analyst	1
Senior Data Analyst	1
Senior Administrative Analyst	1
Administrative Analyst	2
Program Integrity Specialist	1
Executive Secretary	1

Property Management	
Director Property Management & Client Services	1
Property Management Assistant Director	1
Property Management Specialist	1
Maintenance Worker II	3
Administrative Clerk III - Maintenance	1
Total Positions (FTE)	60

Administrative Services	
Administrative Services Director	1
Computer Technical Support Analyst	1
Administrative Services Supervisor	1
Administrative Clerk III	2
Administrative Clerk II	2

Finance Department	
Finance Director	1
Controller	1
Accountant	1
Accounting Specialist	1

Housing Programs Department	
Housing Programs Director	1
Housing Programs Assistant Director	1
Housing Programs Supervisor	3
Leasing Specialist	1
Housing Inspector	1
Housing Programs Specialist	20
Administrative Clerk III	1
Administrative Clerk II	5

Full Time Equivalents	
Executive Director	1
Deputy Executive Director	1
Department Director	4
Principal Management Analyst	1
Controller	1
Senior Data Analyst	1
Senior Administrative Analyst	1
Property Management Assistant Director	1
Housing Programs Assistant Director	1
Computer Technical Support Analyst	1
Administrative Analyst	2
Accountant	1
Housing Programs Supervisor	3
Administrative Services Supervisor	1
Program Integrity Specialist	1
Executive Secretary	1
Accounting Specialist	1
Property Management Specialist	1
Leasing Specialist	1
Housing Inspector	1
Housing Programs Specialist	20
Maintenance Worker II	3
Administrative Clerk III	3
Administrative Clerk III - Maintenance	1
Administrative Clerk II	7
TOTAL.....	60

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
Staffing Comparison By Budget Year

			Change
	2022-23	2023-24	from
<u>Full Time Equivalents</u>	<u>Budget</u>	<u>Budget</u>	<u>Last Yr</u>
Executive Director	1	1	0
Deputy Executive Director	1	1	0
Department Director	3	4	1
Principal Management Analyst	1	1	0
Controller	1	1	0
Senior Data Analyst	1	1	0
Senior Administrative Analyst	0	1	1
Property Management Assistant Dir	1	1	0
Housing Programs Assistant Director	1	1	0
Computer Technical Support Analyst	1	1	0
Administrative Analyst	1	2	1
Accountant	1	1	0
Housing Programs Supervisor	3	3	0
Administrative Services Supervisor	1	1	0
Program Integrity Specialist	1	1	0
Executive Secretary	1	1	0
Accounting Specialist	1	1	0
Property Management Specialist	1	1	0
Leasing Specialist	1	1	0
Housing Inspector	1	1	0
Housing Programs Specialist	21	20	-1
Maintenance Worker II	3	3	0
Administrative Clerk III	3	3	0
Administrative Clerk III - Maint	1	1	0
Administrative Clerk II	7	7	0
TOTAL Full Time Equivalents (FTE)	58	60	2.0

Salary Range/Step Chart

Effective 7/2/2023

Subject to Approval by the Board of Commissioners

Job Title	Range	Monthly					Hourly				
		Step 1	Step 2	Step 3	Step 4	Step 5	Step 1	Step 2	Step 3	Step 4	Step 5
Administrative Clerk I	8	3540	3717	3902	4097	4302	20.42	21.44	22.51	23.64	24.82
*	9	3628	3809	4000	4200	4410	20.93	21.98	23.08	24.23	25.44
*	10	3719	3905	4100	4305	4520	21.45	22.53	23.65	24.84	26.08
*	11	3812	4002	4202	4413	4633	21.99	23.09	24.24	25.46	26.73
Administrative Clerk II	12	3907	4102	4307	4523	4749	22.54	23.67	24.85	26.09	27.40
Receptionist											
*	13	4005	4205	4415	4636	4868	23.10	24.26	25.47	26.75	28.08
*	14	4105	4310	4526	4752	4989	23.68	24.87	26.11	27.41	28.78
Account Clerk II	15	4207	4418	4639	4871	5114	24.27	25.49	26.76	28.10	29.50
Administrative Clerk III - Maintenance	16	4313	4528	4755	4992	5242	24.88	26.12	27.43	28.80	30.24
Maintenance Worker I											
*	17	4420	4641	4873	5117	5373	25.50	26.78	28.12	29.52	31.00
*	18	4531	4757	4995	5245	5507	26.14	27.45	28.82	30.26	31.77
*	19	4644	4876	5120	5376	5645	26.79	28.13	29.54	31.02	32.57
Administrative Clerk IV	20	4760	4998	5248	5511	5786	27.46	28.84	30.28	31.79	33.38
Maintenance Worker II	21	4879	5123	5379	5648	5931	28.15	29.56	31.04	32.59	34.22
Accounting Technician	22	5001	5251	5514	5790	6079	28.85	30.30	31.81	33.40	35.07
Housing Specialist											
Family Self-Sufficiency Coordinator											
Housing Inspector											
*	23	5126	5383	5652	5934	6231	29.57	31.05	32.61	34.24	35.95
Leasing Specialist	24	5254	5517	5793	6083	6387	30.31	31.83	33.42	35.09	36.85
Property Management Specialist	25	5386	5655	5938	6235	6547	31.07	32.63	34.26	35.97	37.77
Client Services Coordinator											
Housing Programs Senior Specialist	26	5520	5797	6086	6391	6710	31.85	33.44	35.11	36.87	38.71
Accounting Specialist											
Property Specialist											
Executive Secretary	27	5658	5941	6238	6550	6878	32.65	34.28	35.99	37.79	39.68
*	28	5800	6090	6394	6714	7050	33.46	35.13	36.89	38.74	40.67
Maintenance Coordinator	29	5945	6242	6554	6882	7226	34.30	36.01	37.81	39.70	41.69
*	30	6094	6398	6718	7054	7407	35.16	36.91	38.76	40.70	42.73
Program Integrity Specialist	31	6246	6558	6886	7230	7592	36.03	37.84	39.73	41.71	43.80
*	32	6402	6722	7058	7411	7782	36.93	38.78	40.72	42.76	44.89
Accountant	33	6562	6890	7235	7596	7976	37.86	39.75	41.74	43.83	46.02
Administrative Services Supervisor	34	6726	7062	7416	7786	8176	38.80	40.75	42.78	44.92	47.17
Housing Programs Supervisor											
Property Management Supervisor											
*	35	6894	7239	7601	7981	8380	39.77	41.76	43.85	46.04	48.35

*		36	7067	7420	7791	8181	8590	40.77	42.81	44.95	47.20	49.56
	Administrative Analyst											
	Computer Tech. Support Analyst	37	7243	7606	7986	8385	8804	41.79	43.88	46.07	48.38	50.79
	Facilities Manager											
	Senior Accountant	38	7424	7796	8185	8595	9024	42.83	44.97	47.22	49.58	52.06
*		39	7610	7991	8390	8810	9250	43.90	46.10	48.40	50.82	53.37
*		40	7800	8190	8600	9030	9481	45.00	47.25	49.61	52.10	54.70
*		41	7995	8395	8815	9256	9718	46.13	48.43	50.85	53.40	56.07
*		42	8195	8605	9035	9487	9961	47.28	49.64	52.13	54.73	57.47
	Senior Administrative Analyst	43	8400	8820	9261	9724	10210	48.46	50.88	53.43	56.10	58.91
	Senior Data Analyst											
	Property Management Assistant Director											
	Housing Programs Assistant Director											
	Administrative Services Assistant Director											
*		44	8610	9041	9493	9967	10466	49.67	52.16	54.76	57.50	60.38
	Information Technology Coordinator	45	8825	9267	9730	10216	10727	50.92	53.46	56.13	58.94	61.89
	Controller	46	9046	9498	9973	10472	10995	52.19	54.80	57.54	60.41	63.44
	Principal Management Analyst	47	9272	9736	10222	10734	11270	53.49	56.17	58.98	61.92	65.02
	Assistant Finance Director	48	9504	9979	10478	11002	11552	54.83	57.57	60.45	63.47	66.65
*		49	9741	10229	10740	11277	11841	56.20	59.01	61.96	65.06	68.31
	Property Management Director	50	9985	10484	11008	11559	12137	57.61	60.49	63.51	66.69	70.02
	Human Resources Director											
*		51	10235	10746	11284	11848	12440	59.05	62.00	65.10	68.35	71.77
*		52	10491	11015	11566	12144	12751	60.52	63.55	66.73	70.06	73.57
*		53	10753	11290	11855	12448	13070	62.04	65.14	68.39	71.81	75.40
*		54	11022	11573	12151	12759	13397	63.59	66.77	70.10	73.61	77.29
	Administrative Services Director	55	11297	11862	12455	13078	13732	65.18	68.43	71.86	75.45	79.22
	Housing Programs Director											
	Property Management & Client Services Director											
*		56	11580	12159	12766	13405	14075	66.81	70.15	73.65	77.34	81.20
*		57	11869	12463	13086	13740	14427	68.48	71.90	75.49	79.27	83.23
*		58	12166	12774	13413	14083	14788	70.19	73.70	77.38	81.25	85.31
	Finance Director	59	12470	13093	13748	14436	15157	71.94	75.54	79.32	83.28	87.45
*		60	12782	13421	14092	14796	15536	73.74	77.43	81.30	85.36	89.63
	Director of Operations	61	13101	13756	14444	15166	15925	75.58	79.36	83.33	87.50	91.87
*		62	13429	14100	14805	15545	16323	77.47	81.35	85.41	89.69	94.17
*		63	13764	14453	15175	15934	16731	79.41	83.38	87.55	91.93	96.52
	Deputy Executive Director	64	14109	14814	15555	16332	17149	81.40	85.47	89.74	94.23	98.94
*		65	14461	15184	15944	16741	17578	83.43	87.60	91.98	96.58	101.41
*		66	14823	15564	16342	17159	18017	85.52	89.79	94.28	99.00	103.95
*		67	15193	15953	16751	17588	18468	87.65	92.04	96.64	101.47	106.54
*		68	15573	16352	17169	18028	18929	89.85	94.34	99.05	104.01	109.21
*		69	15963	16761	17599	18479	19403	92.09	96.70	101.53	106.61	111.94
*		70	16362	17180	18039	18941	19888	94.39	99.11	104.07	109.27	114.74
*		71	16771	17609	18490	19414	20385	96.75	101.59	106.67	112.00	117.60
	Executive Director	72	17190	18049	18952	19900	20894	99.17	104.13	109.34	114.80	120.55

5 YEAR CAPITAL PLAN

Capital Expenditures:	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Mission St. Roofing	175,000					175,000
Mission Street	175,000	0	0	0	0	175,000
2160 41st Ave Wood Repair	25,000		3,500		3,500	32,000
2160 41st Ave Exterior Painting	60,000					60,000
2160 41st Ave HVAC replacements	15,000	15,000		15,000	15,000	60,000
2160 41st Ave Roofing	41,000					41,000
2160 41st Ave Paving/Slurry	6,500					6,500
2160 41st Ave Landscaping	2,000	3,500	2,000	2,000	2,000	11,500
2160 41st Ave Total	149,500	18,500	5,500	17,000	20,500	211,000
2170 41st Ave Paving/Slurry	4,500					4,500
2170 41st Ave Total	4,500	0	0	0	0	4,500
Casa Pajaro Unit Turnover Costs	7,500	7,650	7,800	7,960	8,120	39,030
Casa Pajaro Appliances/Water Heaters	3,600	3,672	3,745	3,820	3,900	18,737
Casa Pajaro Paving/Sealing	9,500					9,500
Casa Pajaro Sidewalk Repairs/Replacements	8,400					8,400
Casa Pajaro Landscaping	2,600	2,660	2,700	2,760	2,815	13,535
Casa Pajaro Wall Heaters (based on 2 per year)	4,800	4,900	5,000	5,100	5,200	25,000
Casa Pajaro Flooring (3 units per year plus incidental repairs)	19,600	27,000	27,000	27,000	19,600	120,200
Casa Pajaro Exterior Painting			45,000			45,000
Casa Pajaro Wood Repair	3,500	7,000				10,500
Casa Pajaro LED Lighting / Energy Efficiency	1,600	1,600	1,600			4,800
Casa Pajaro Total	61,100	54,482	92,845	46,640	39,635	294,702
Tierra Alta Unit Turnover Costs (based on 2 per year)	11,500	12,000	12,500	12,750	13,000	61,750
Tierra Alta Flooring (based on 3 per year plus incidental repairs)	19,550	19,950	20,350	20,750	21,165	101,765
Tierra Alta Appliances/Water Heaters (based on 2 water heaters)	4,000	4,000	4,000	4,000	4,000	20,000
Tierra Alta Heater (based on 2 replacements per year)	4,650	4,743	4,840	4,940	5,040	24,213
Tierra Alta Wood Repair	3,500	10,000		3,500		17,000
Tierra Alta Fence Repair/Replacement	4,500	2,500		3,500		10,500
Tierra Alta Wastewater	600,000					600,000
Tierra Alta Domestic Water - PFOS treatment system	5,600					5,600
Tierra Alta Exterior Painting			37,000			37,000
Tierra Alta LED Lighting and Energy Efficiency	2,700	1,700	1,900			6,300
Tierra Alta Landscaping	3,900	4,000	4,100	4,200	4,300	20,500
Tierra Alta Total	659,900	58,893	84,690	53,640	47,505	904,628
TOTAL	1,050,000	131,875	183,035	117,280	107,640	1,589,830

**Operating Transfers In and Out
Fiscal Year Ending June 30, 2024**

<u>Program</u>	<u>Transfer Description</u>	<u>In</u>	<u>Out</u>
Casa Pajaro	From Reserves to Fund Current Capital Projects	61,100	
Tierra Alta	From Reserves to Fund Current Capital Projects	550,000	
Low Income Public Housing	From LIPH Reserves for 415 Natural Bridges Construction Loan	6,163,970	
Low Income Public Housing	From LIPH Reserves for LIPH's Share of Pension & OPEB	1,117,633	
Low Income Public Housing	Construction Loan to New Horizons for 415 Natural Bridges		6,163,970
Low Income Public Housing	To Fund LIPH's Legacy Share of Pension & OPEB Costs as Part of LIPH Program Closeout		1,117,633
Casa Pajaro	To Reserves for Future Capital Projects		46,653
Tierra Alta	To Reserves for Future Capital Projects		27,250
Housing Choice Vouchers	Contribution to Unfunded Pension Liability Pre-Funding Trust		500,000
Mission Street Warehouse	Contribution to Unfunded Pension Liability Pre-Funding Trust		250,000
		<u>7,892,703</u>	<u>8,105,506</u>

Reserve Balances

As of 6/30/22

Section 8:	Unrestricted	Restricted**	Total
Santa Cruz Vouchers *	3,018,167	278,565	3,296,732
Mainstream Vouchers *	589,946	(98,574)	491,372
Emergency Housing Vouchers*	217,034	994,347	1,211,381
Mod Rehab *	758,050	-	758,050
Mod Rehab SRO *	118,036	-	118,036
Federal Housing:			
Low Rent Public Housing *	7,281,603	-	7,281,603
Casa Pajaro USDA *	11,226	999,591	1,010,817
Tierra Alta USDA *	69,829	682,734	752,563
Local Programs:			
County of Santa Cruz	78,986	-	78,986
City of Santa Cruz	12,343	-	12,343
City of Watsonville	-	-	0
City of Capitola	100,573	-	100,573
City of Scotts Valley	90,320	-	90,320
Misc Local Contracts	9,670	-	9,670
Business Activities:			
Mission Street Building	1,414,289	-	1,414,289
2160/2170 41st Avenue Offices	1,931,285	-	1,931,285
415 Natural Bridges	297,936		297,936
Housing Authority Reserves	620,916	-	620,916
New Horizons Admin Fund	9,742		
Buena Vista Admin Fund	(46,639)	-	(46,639)
Merrill Road Admin Fund	(54,382)	-	(54,382)
Spruce Street Condo	156,361	-	156,361
CalPERS Pension Fund	(7,347,036)		(7,347,036)
Other Post Retirement Benefits Fund	(91,359)		(91,359)
Total Reserves	9,246,897	2,856,663	12,093,817

* Unrestricted except by Fund

** Restrictions placed by outside entities

Agency Debts and Receivables

Lender and Project:	Purpose	Total Owed	Due FY 2023-24
U.S. Department of Agriculture Casa Pajaro Apartments	Construction	14,497	12,789
Compensated Absences	Accumulated Leave per Personnel Policy	536,043	62,004
Total Outstanding		550,540	74,793

Due to Housing Authority:	Purpose	Total Due	Due FY 2023-24
2nd Deeds of Trust Arroyo Verde	To Finance Purchase	15,000	-
3rd Deeds of Trust Arroyo Verde	To Finance Purchase	4,504	-
Merrill Road Land Loan Merrill Road - 15 Apartments	To Finance Acquisition of Land	407,348	-
Merrill Road Permanent Loan Merrill Road - 15 Apartments	To Finance Construction	451,509	-
Total Due to Housing Authority		878,361	-

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2023-2024

Budgets By Program Group

	Section 8	Federal Housing	Federal Grants	Local Programs	Business Activities	2023-24 Agency-Wide Budget	
Revenues:							
HAPS / Program	128,839,993	-	859,911	-	-	129,699,904	
Administrative Fees	8,779,008	-	-	-	1,128,578	9,907,586	
Grants / Contracts	-	-	232,540	764,540	-	997,080	
Rental Income	-	948,718	-	-	1,015,196	1,963,914	
Operating Transfers In	-	7,892,703	-	-	-	7,892,703	
Other Income	37,587	56,600	-	10,550	55,333	160,070	
Total Revenues:	137,656,589	8,898,021	1,092,451	775,090	2,199,107	150,621,257	
Expenses:							
Housing Assistance Pmts	128,839,993	-	859,911	-	-	129,699,904	
Salaries	4,305,294	253,126	151,252	38,587	678,420	5,426,679	
Employee Benefits	2,099,784	87,618	63,859	10,433	198,669	2,460,363	
Capital Purchases	-	721,000	-	-	329,000	1,050,000	
Maintenance	-	348,700	-	-	151,700	500,400	
General Administrative	1,635,366	161,336	2,194	12,094	516,595	2,327,585	
Tenant Services	70,000	4,800	15,235	711,540	-	801,575	
Operating Transfers Out	500,000	7,355,506	-	-	250,000	8,105,506	
Debt Service	-	12,789	-	-	-	12,789	
Total Expenses:	137,450,437	8,944,875	1,092,451	772,654	2,124,384	150,384,801	
Surplus (Deficit):	206,152	(46,854)	0	2,436	74,723	236,456	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Agency-Wide Budget

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	116,206,857	129,699,904	13,493,047
Administrative Fees	9,538,832	9,907,586	368,754
Grants / Contracts	875,466	997,080	121,614
Rental Income	1,675,053	1,963,914	288,861
Operating Transfers In	537,627	7,892,703	7,355,076
Other Income	99,420	160,070	60,650
Total Revenues:	128,933,254	150,621,257	21,688,003
Expenses:			
Housing Assistance Pmts	116,206,857	129,699,904	13,493,047
Salaries	4,765,868	5,426,679	660,811
Employee Benefits	2,146,853	2,460,363	313,510
Capital Purchases	508,283	1,050,000	541,717
Maintenance	521,306	500,400	(20,906)
General Administrative	2,281,504	2,327,585	46,081
Tenant Services	1,176,397	801,575	(374,822)
Operating Transfers Out	69,180	8,105,506	8,036,326
Debt Service	1,707	12,789	11,082
Total Expenses:	127,677,954	150,384,801	22,706,847
Surplus (Deficit):	1,255,301	236,456	(1,018,844)

Section 8 Programs

Santa Cruz Vouchers

This fund accounts for revenues and expenses associated with administering the tenant based Section 8 Housing Choice Voucher Program for the County of Santa Cruz and the City of Hollister, including VASH & EHV vouchers.

Disabled Vouchers (Mainstream and NED)

This fund accounts for revenues and expenses associated with administering the tenant based Section 8 Housing Choice Voucher Program for Disabled in the County of Santa Cruz.

Moderate Rehabilitation

This fund accounts for revenues and expenses associated with administering the project based Section 8 Mod Rehab Program for the County of Santa Cruz. Some of these vouchers are transitioning to Housing Choice Vouchers as the original 15 year contracts are expiring. There are only 19 of 309 units remaining.

Moderate Rehabilitation SRO

This fund accounts for revenues and expenses associated with administering the project based Section 8 Mod Rehab SRO Program.

Emergency Housing Vouchers (EHV)

This fund accounts for revenues and expenses associated with administering the Emergency Housing Voucher Program.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Section 8 Program Group

Includes Mod Rehab, Mainstream, EHV, and Santa Cruz Voucher Programs

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	115,425,120	128,839,993	13,414,873
Administrative Fees	8,645,312	8,779,008	133,696
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	28,067	37,587	9,520
Total Revenues:	124,098,499	137,656,589	13,558,089
Expenses:			
Housing Assistance Pmts	115,425,120	128,839,993	13,414,873
Salaries	3,874,974	4,305,294	430,320
Employee Benefits	1,850,950	2,099,784	248,834
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	1,648,965	1,635,366	(13,599)
Tenant Services	495,500	70,000	(425,500)
Operating Transfers Out	-	500,000	500,000
Debt Service	-	-	-
Total Expenses:	123,295,508	137,450,437	14,154,928
Surplus (Deficit):	802,991	206,152	(596,839)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Santa Cruz Voucher Program

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	106,107,000	117,742,939	11,635,939
Administrative Fees	7,310,336	7,907,878	597,542
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	24,255	25,243	988
Total Revenues:	113,441,591	125,676,060	12,234,469
Expenses:			
Housing Assistance Pmts	106,107,000	117,742,939	11,635,939
Salaries	3,584,919	4,013,523	428,604
Employee Benefits	1,726,388	1,957,098	230,711
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	1,568,552	1,537,416	(31,135)
Tenant Services	-	-	-
Operating Transfers Out	-	500,000	500,000
Debt Service	-	-	-
Total Expenses:	112,986,858	125,750,977	12,764,118
Surplus (Deficit):	454,733	(74,917)	(529,649)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Mainstream Disabled Vouchers

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	3,422,992	3,933,528	510,536
Administrative Fees	385,880	276,060	(109,820)
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	1,200	2,500	1,300
Total Revenues:	3,810,072	4,212,088	402,016
Expenses:			
Housing Assistance Pmts	3,422,992	3,933,528	510,536
Salaries	91,136	99,689	8,553
Employee Benefits	43,877	48,751	4,874
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	33,626	35,927	2,301
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	3,591,630	4,117,895	526,265
Surplus (Deficit):	218,442	94,193	(124,249)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Moderate Rehabilitation

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	192,500	212,114	19,614
Administrative Fees	32,729	35,054	2,324
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	2,078	8,060	5,982
Total Revenues:	227,308	255,228	27,920
Expenses:			
Housing Assistance Pmts	192,500	212,114	19,614
Salaries	7,338	7,699	361
Employee Benefits	3,529	3,766	236
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	2,654	2,735	80
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	206,022	226,313	20,292
Surplus (Deficit):	21,286	28,914	7,628

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Moderate Rehabilitation SRO

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	100,145	103,452	3,307
Administrative Fees	18,996	20,294	1,298
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	284	1,535	1,251
Total Revenues:	119,425	125,281	5,856
Expenses:			
Housing Assistance Pmts	100,145	103,452	3,307
Salaries	3,493	4,458	965
Employee Benefits	1,630	2,180	550
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	1,451	1,529	78
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	106,719	111,619	4,900
Surplus (Deficit):	12,705	13,662	957

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Emergency Housing Voucher Program

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	5,602,483	6,847,960	1,245,477
Administrative Fees	897,371	539,722	(357,649)
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	250	250	-
Total Revenues:	6,500,104	7,387,932	887,828
Expenses:			
Housing Assistance Pmts	5,602,483	6,847,960	1,245,477
Salaries	188,089	179,925	(8,164)
Employee Benefits	75,525	87,988	12,463
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	42,682	57,759	15,078
Tenant Services	495,500	70,000	(425,500)
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	6,404,279	7,243,633	839,354
Surplus (Deficit):	95,825	144,299	48,474

Federal Housing Programs

Low Income Public Housing (LIPH)

This fund accounts for the rental revenues and expenses associated with the Housing Authority owned public housing units and the supplemental income provided by HUD. Effective January, 1, 2021, this program transferred property ownership of the 234 LIPH units to New Horizons (a non-profit affiliated entity) and the residents were issued Tenant Protection Vouchers. HUD refers to this process as a Streamlined Voluntary Conversion. Following conversion, there will be a close-out of all remaining LIPH activities and finances.

Casa Pajaro

This fund accounts for the rental revenues and expenses associated with the USDA farmworker housing project on East Front Street in Watsonville.

Tierra Alta

This fund accounts for the rental revenues and expenses associated with the USDA farmworker housing project on Tierra Alta Drive in Watsonville.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Federal Housing Program Group

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

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	-	-	-
Rental Income	705,645	948,718	243,073
Operating Transfers In	220,164	7,892,703	7,672,539
Other Income	43,466	56,600	13,134
Total Revenues:	969,275	8,898,021	7,928,746
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	211,500	253,126	41,626
Employee Benefits	72,083	87,618	15,535
Capital Purchases	195,449	721,000	525,551
Maintenance	360,930	348,700	(12,230)
General Administrative	139,756	161,336	21,580
Tenant Services	2,400	4,800	2,400
Operating Transfers Out	69,180	7,355,506	7,286,326
Debt Service	1,707	12,789	11,082
Total Expenses:	1,053,005	8,944,875	7,891,870
Surplus (Deficit):	(83,730)	(46,854)	36,876

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2023-2024

Low Income Public Housing (LIPH) Program

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	-	7,281,603	7,281,603
Other Income	-	-	-
Total Revenues:	-	7,281,603	7,281,603
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	-	-	-
Employee Benefits	-	-	-
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	-	-	-
Tenant Services	-	-	-
Operating Transfers Out	-	7,281,603	7,281,603
Debt Service	-	-	-
Total Expenses:	-	7,281,603	7,281,603
Surplus (Deficit):	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Casa Pajaro (USDA)

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	-	-	-
Rental Income	301,893	437,469	135,576
Operating Transfers In	74,193	61,100	(13,093)
Other Income	24,252	33,600	9,348
Total Revenues:	400,338	532,169	131,831
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	102,000	122,947	20,947
Employee Benefits	34,898	42,557	7,659
Capital Purchases	49,193	61,100	11,907
Maintenance	134,761	134,850	89
General Administrative	71,658	89,930	18,273
Tenant Services	2,400	4,800	2,400
Operating Transfers Out	37,700	46,653	8,953
Debt Service	-	12,789	12,789
Total Expenses:	432,609	515,627	83,018
Surplus (Deficit):	(32,272)	16,542	48,814

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Tierra Alta Farm (USDA)

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	-	-	-
Rental Income	403,752	511,249	107,497
Operating Transfers In	145,971	550,000	404,029
Other Income	19,214	23,000	3,786
Total Revenues:	568,937	1,084,249	515,312
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	109,500	130,179	20,679
Employee Benefits	37,186	45,061	7,875
Capital Purchases	146,256	659,900	513,644
Maintenance	226,169	213,850	(12,319)
General Administrative	68,099	71,406	3,307
Tenant Services	-	-	-
Operating Transfers Out	31,480	27,250	(4,230)
Debt Service	1,707	-	(1,707)
Total Expenses:	620,396	1,147,646	527,250
Surplus (Deficit):	(51,459)	(63,397)	(11,938)

Federal Grants

HUD FSS Coordinator Grant

This fund accounts for the expenses and funding associated with outreach and service to eligible families in the Section 8 Program for Family Self Sufficiency.

Shelter Plus Care COC Grant

This fund accounts for the revenues and expenses associated with providing housing and supportive services to groups with specific needs.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Federal Grant Programs Group

Includes Family Self-Sufficiency Program and Shelter Plus Care

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	781,737	859,911	78,174
Administrative Fees	-	-	-
Grants / Contracts	184,716	232,540	47,824
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	-	-	-
Total Revenues:	966,453	1,092,451	125,998
Expenses:			
Housing Assistance Pmts	781,737	859,911	78,174
Salaries	111,912	151,252	39,340
Employee Benefits	67,151	63,859	(3,292)
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	1,824	2,194	370
Tenant Services	15,235	15,235	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	977,860	1,092,451	114,591
Surplus (Deficit):	(11,407)	(0)	11,407

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Family Self Sufficiency (FSS) Coordinator Grant

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	167,017	213,038	46,021
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	-	-	-
Total Revenues:	167,017	213,038	46,021
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	110,768	148,655	37,887
Employee Benefits	66,656	63,104	(3,552)
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	1,000	1,279	279
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	178,424	213,038	34,614
Surplus (Deficit):	(11,407)	-	11,407

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Shelter Plus Care Grant

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	781,737	859,911	78,174
Administrative Fees	-	-	-
Grants / Contracts	17,699	19,502	1,803
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	-	-	-
Total Revenues:	799,436	879,413	79,977
Expenses:			
Housing Assistance Pmts	781,737	859,911	78,174
Salaries	1,145	2,597	1,452
Employee Benefits	496	755	260
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	824	915	91
Tenant Services	15,235	15,235	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	799,436	879,413	79,977
Surplus (Deficit):	(0)	(0)	(0)

Local Programs

County of Santa Cruz

This fund accounts for revenues and expenses associated with technical assistance contracts for the administration of affordable housing programs in the County of Santa Cruz, including the security deposit program and the landlord incentive program.

City of Santa Cruz

This fund accounts for revenues and expenses associated with technical assistance contracts for the administration of affordable housing programs in the City of Santa Cruz, including security deposits, Measure O, and the landlord incentive program.

City of Watsonville

This fund accounts for revenues and expenses associated with the administration of affordable housing programs in the City of Watsonville, including the security deposit and landlord incentive programs.

City of Capitola

This fund accounts for revenues and expenses associated with technical assistance contracts for the administration of affordable housing programs in the City of Capitola, including security deposit program and landlord incentive program.

City of Scotts Valley

This fund accounts for revenues and expenses associated with technical assistance contracts for the administration of affordable housing programs in the City of Scotts Valley, including monitoring of inclusionary unit compliance and the landlord incentive program.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Local Programs Group

Includes local programs funded by the County of Santa Cruz and the Cities of Santa Cruz, Watsonville, Capitola, and Scotts Valley

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	690,750	764,540	73,790
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	6,054	10,550	4,496
Total Revenues:	696,804	775,090	78,286
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	18,884	38,587	19,703
Employee Benefits	4,849	10,433	5,584
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	7,763	12,094	4,330
Tenant Services	663,262	711,540	48,278
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	694,759	772,654	77,895
Surplus (Deficit):	2,045	2,436	391

Business Activities

Mission Street Warehouse Building

This fund accounts for the rental revenues and expenses associated with the Housing Authority owned building on Mission Street.

Natural Bridges Development

This fund accounts for the pre-development and development costs associated with the 20 unit site before the sale to New Horizons.

Housing Authority 2160 41st Avenue Office

This fund accounts for the rental revenues charged to Authority programs and the expenses associated with the space owned at 2160 41st Avenue in Capitola.

Housing Authority 2170 41st Avenue Office (Annex)

This fund accounts for the rental revenues charged to Authority programs and the expenses associated with the leased office space at 2170 41st Avenue in Capitola.

Agency Unrestricted Reserve Fund (Non-Program Specific)

This fund accounts for the Housing Authority's accumulated unrestricted reserves and the corresponding interest income as well as expenses that are not related to specific funds or projects.

New Horizons LIPH Administration Fund

This fund accounts for the administrative/management fee received from New Horizons for the management of duties performed by Housing Authority staff on behalf of New Horizons for the former LIPH units. Charged to this fund are the personnel costs and overhead associated with the performance of these duties.

New Horizons Brommer Administration Fund

This fund accounts for the administrative/management fee received from New Horizons for the management of duties performed by Housing Authority staff on behalf of New Horizons for the Brommer units. Charged to this fund are the personnel costs and overhead associated with the performance of these duties.

Merrill Road Administration

This fund accounts for the administrative fee paid to the Housing Authority by the Merrill Road Associates, and the accompanying overhead costs that are associated with this program.

Spruce Street

This fund accounts for the rental revenues and expenses associated with the Housing Authority owned condominium on Spruce Street in Santa Cruz.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Business Activities Group

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

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	893,519	1,128,578	235,059
Grants / Contracts	-	-	-
Rental Income	969,409	1,015,196	45,787
Operating Transfers In	317,463	-	(317,463)
Other Income	21,833	55,333	33,500
Total Revenues:	2,202,224	2,199,107	(3,118)
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	548,597	678,420	129,823
Employee Benefits	151,819	198,669	46,850
Capital Purchases	312,834	329,000	16,166
Maintenance	160,377	151,700	(8,677)
General Administrative	483,196	516,595	33,399
Tenant Services	-	-	-
Operating Transfers Out	-	250,000	250,000
Debt Service	-	-	-
Total Expenses:	1,656,822	2,124,384	467,562
Surplus (Deficit):	545,402	74,723	(470,680)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Mission Street Warehouse Building

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	-	-	-
Rental Income	393,672	422,640	28,968
Operating Transfers In	-	-	-
Other Income	2,100	18,000	15,900
Total Revenues:	395,772	440,640	44,868
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	-	-	-
Employee Benefits	-	-	-
Capital Purchases	-	175,000	175,000
Maintenance	2,058	800	(1,258)
General Administrative	14,474	14,286	(188)
Tenant Services	-	-	-
Operating Transfers Out	-	250,000	250,000
Debt Service	-	-	-
Total Expenses:	16,532	440,086	423,554
Surplus (Deficit):	379,240	554	(378,686)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Natural Bridges Development

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	317,463	-	(317,463)
Other Income	-	-	-
Total Revenues:	317,463	-	(317,463)
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	-	-	-
Employee Benefits	-	-	-
Capital Purchases	273,045	-	(273,045)
Maintenance	3	-	(3)
General Administrative	44,416	-	(44,416)
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	317,463	-	(317,463)
Surplus (Deficit):	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

2160 41st Ave Office

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	-	-	-
Rental Income	323,739	346,728	22,989
Operating Transfers In	-	-	-
Other Income	6,000	20,000	14,000
Total Revenues:	329,739	366,728	36,989
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	-	-	-
Employee Benefits	-	-	-
Capital Purchases	15,263	149,500	134,237
Maintenance	96,433	98,650	2,217
General Administrative	22,208	23,131	923
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	133,904	271,281	137,377
Surplus (Deficit):	195,835	95,447	(100,389)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

2170 41st Ave Office Annex

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	-	-	-
Rental Income	228,489	222,320	(6,169)
Operating Transfers In	-	-	-
Other Income	-	-	-
Total Revenues:	228,489	222,320	(6,169)
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	-	-	-
Employee Benefits	-	-	-
Capital Purchases	24,526	4,500	(20,026)
Maintenance	61,446	51,750	(9,696)
General Administrative	167,043	170,570	3,527
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	253,015	226,820	(26,195)
Surplus (Deficit):	(24,526)	(4,500)	20,026

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Agency Unrestricted Reserve Fund (Non-Program Specific)

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	13,433	15,583	2,150
Total Revenues:	13,433	15,583	2,150
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	-	-	-
Employee Benefits	-	-	-
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	11,004	15,000	3,996
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	11,004	15,000	3,996
Surplus (Deficit):	2,429	583	(1,846)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2023-2024

New Horizons LIPH Administration Fund

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	850,801	1,079,662	228,861
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	-	-	-
Total Revenues:	850,801	1,079,662	228,861
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	519,916	643,387	123,471
Employee Benefits	142,716	186,715	43,999
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	188,169	249,560	61,391
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	850,801	1,079,662	228,861
Surplus (Deficit):	0	0	0

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

**Proposed Budget
Fiscal Year 2023-2024**

New Horizons Brommer Administration Fund

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	16,138	22,336	6,198
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	-	-	-
Total Revenues:	16,138	22,336	6,198
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	10,246	12,741	2,495
Employee Benefits	2,598	3,698	1,099
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	3,294	5,898	2,603
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	16,138	22,336	6,198
Surplus (Deficit):	(0)	(0)	(0)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

**Proposed Budget
Fiscal Year 2023-2024**

Merrill Road Administration Fund

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	26,580	26,580	-
Grants / Contracts	-	-	-
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	-	-	-
Total Revenues:	26,580	26,580	-
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	17,500	21,231	3,731
Employee Benefits	6,313	7,948	1,635
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	14,457	20,090	5,634
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	38,270	49,270	11,000
Surplus (Deficit):	(11,690)	(22,690)	(11,000)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2023-2024

Spruce Street

	2022-23 Projected Actuals	2023-24 Proposed Budget	Increase / (Decrease) from 2022-23
Revenues:			
HAPS / Program	-	-	-
Administrative Fees	-	-	-
Grants / Contracts	-	-	-
Rental Income	23,508	23,508	-
Operating Transfers In	-	-	-
Other Income	300	1,750	1,450
Total Revenues:	23,808	25,258	1,450
Expenses:			
Housing Assistance Pmts	-	-	-
Salaries	935	1,061	126
Employee Benefits	192	309	117
Capital Purchases	-	-	-
Maintenance	437	500	63
General Administrative	18,131	18,059	(71)
Tenant Services	-	-	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	19,694	19,929	235
Surplus (Deficit):	4,114	5,329	1,215

AGENDA ITEM SUMMARY

MEETING DATE: May 17, 2023

ITEM NUMBER: 6B

FROM: Executive Director

SUBJECT: Role of Housing Authority and New Horizons Affordable Housing and Development in Affordable Housing Supply

RECOMMENDATION: Receive Report; Adopt Staff Recommendation and Authorize Staff to Begin Exploring Opportunities Consistent with Recommended Strategies

BACKGROUND SUMMARY:

The purpose of this staff report is to provide information that can be used to establish a strategy for The Housing Authority of the County of Santa Cruz (Housing Authority) and New Horizons Affordable Housing and Development (New Horizons) to engage in real estate activities which include the acquisition, development, disposition, and financing of affordable housing. This information and the resulting strategy applies to both the Housing Authority and New Horizons, and although these entities have overlapping missions, they have distinct organizational roles and functions.

The Housing Authority was established in 1969 by a resolution of the Santa Cruz County Board of Supervisors pursuant to the Housing Authorities law of the State of California §34200 of the Health and Safety Code. The mission of the Housing Authority is to promote access to quality affordable housing, utilize housing as a platform for improving quality of life, and support inclusive, healthy and sustainable communities free from discrimination. Programs administered by the Housing Authority include but are not limited to the Housing Choice Voucher (HCV) program, Project Based Voucher program, Shelter + Care, and USDA Farmworker Housing. The Housing Authority's recent designation as a Moving to Work (MTW) agency by the Department of Housing and Urban Development (HUD) provides the Housing Authority regulatory flexibility and financial fungibility in the administration of the HCV program which may be leveraged to support this development strategy.

New Horizons was established in 2020 as a California nonprofit public benefit corporation organized to exclusively "benefit and support the Housing Authority mission which includes acquiring, providing, developing, financing, rehabilitating, owning and operating decent, safe and sanitary housing affordable to persons and households of low income". New Horizons is the owner and operator of 16 properties which consists of 240 units including Brommer Street Apartments and the former Low Income Public Housing properties.

In 2021, the Board of Directors for New Horizons established guiding principles and major activities which included an emphasis on housing supply as being a primary activity. Below is

information from the staff report presented at the March 21, 2021, meeting.

Housing Supply (approximately 85% of budget surplus): These activities represent New Horizons primary purpose, and the reason New Horizons was formed (owning and managing Housing Authority properties). Activities may include but are not limited to the following:

- Development of new affordable housing
- Acquisition and rehabilitation of existing housing for the purpose of affordable housing
- Maintenance and management of existing properties
- Rebuilding sufficient reserves to preserve existing properties

The goal of the proposed strategy is to further define the role of these entities to increase affordable housing and to identify feasible real estate and development opportunities that support the mission of the Housing Authority. For the purposes of this strategy the Housing Authority is presented as the administrator of the HCV / MTW program and organizational capacity in terms of staffing, while New Horizons can facilitate certain business functions related to the acquisition, development, financing, and management of real estate activities.

Development Landscape:

The County of Santa Cruz has several housing providers which include non-profit and for-profit organizations that develop and manage affordable housing. This network of housing providers are viewed as critical partners to support the development, management, and preservation of affordable housing throughout the county. These providers have demonstrated capacity and organizational models to develop a range of affordable housing projects which include acquisition, adaptive reuse, and development. These providers typically engage in medium to large scale projects that require a parcel lot size of one-half acre and consist of 40 units or more.

Staff recommends a development strategy to complement the existing network of housing providers, limiting the extent to which we would be directly competing with this network for projects. Staff have identified a broad real estate strategy with the following key goals:

1. Increase the supply of affordable housing,
2. Leverage financial resources in activities that offer a return on investment to support reinvestment in future real estate opportunities,
3. Assist with voucher utilization to ensure program participants secure housing, and
4. Obligate and commit MTW funds strategically to avoid HUD recapture of HAP reserves and increase baseline MTW funding.

Financial Resources:

New Horizons is uniquely positioned to engage in activities to support the acquisition, development, and financing of affordable housing projects. In 2020, the Housing Authority repositioned the portfolio of 234 units through Section 22, Streamlined Voluntarily Conversion to transfer the properties to New Horizons. This repositioning provides New Horizons stable rental income to effectively maintain our existing housing portfolio while establishing reserve funds that can also be used to invest in new development opportunities.

Staff are forecasting approximately \$2.5 million in New Horizons reserves available for housing supply activities for the current 2022/2023 fiscal year. This figure was calculated after accounting for the 5-year capital plan expenses, and Natural Bridges development, which includes gap funding and land acquisition. In subsequent years staff forecast approximately \$4 million per year in available reserves of which 85% may be allocated for housing supply activities. The size of this surplus is expected to increase gradually as market rents and subsidy levels increase, and as additional properties are added to the portfolio.

Second, the Housing Authority's designation as a MTW agency provides the opportunity for the Housing Authority to utilize HCV funds in Local Non-Traditional (LNT) activities which includes the acquisition, development, and financing of housing. LNT is a standard HUD waiver offered to MTW agencies through the Operations Notice and was included in the Housing Authority's initial MTW Supplement. MTW funds for LNT activities are limited to 10% of total MTW funding, which is approximately \$12M annually based on current funding levels. However, HACSC staff recommend that LNT funding only be allocated to the extent that the Housing Authority voucher and funding projections demonstrate we have sufficient funds to meet and sustain full voucher utilization, have adequate Housing Assistance Payment (HAP) reserves, or that we have a level of funding or reserves that will be vulnerable to recapture by HUD if not expended. In this way, LNT funds will only be allocated if the allocation of those funds does not result in any decrease in utilization of the HCV program. Further, when LNT funds are allocated, they will not only ensure such funds are not subject to recapture, but they will also count towards the HACSCs baseline MTW funding, resulting in increased renewal funding for the subsequent year.

It is important to note that calendar year 2023 is a particularly unique and critical moment for the Housing Authority to establish our MTW baseline with HUD, since this our first year designated as an MTW agency and HUD will determine future funding based on expended budget authority.

The Housing Authority is projecting HAP reserves of \$2 million for the calendar year 2023. Once approved for LNT activities, we will have the opportunity to use this surplus towards our Natural Bridges Development project. However, these funds will only be used for Natural Bridges following the expenditure of the \$6 million former public housing reserve proceeds retained through our Streamlined Voluntary Conversion. If the expenses for Natural Bridges in calendar year 2023 are less than \$9 million, staff recommend that the Housing Authority and New Horizons seek other opportunities to commit and spend these funds prior to the end of the year to increase baseline funding and avoid recapture.

For the calendar year 2024 the Housing Authority is projecting HAP reserves of approximately \$5.5 million to \$10 million. These figures are very preliminary, and subject to significant change based on the HUD inflation factor, HAP expenses, and voucher utilization.

Third, New Horizons can competitively apply for PBVs through the Housing Authority which can provide operating subsidy through the form of rental assistance to projects. PBVs are a critical resource to support affordable housing, and New Horizons may apply for PBVs when applicable to the project type. Funding provided through PBVs will contribute to New Horizons financial reserves which can be reinvested to develop more housing.

Lastly, New Horizons' affordable housing development strategy will also leverage external resources to finance and support activities which include but are not limited to LIHTC, Homekey, HOME funds, and CDBG. New Horizons initially will work with internal staff and consultants on these funding opportunities, but as we get further along in implementing this strategy there may be value in increasing staffing resources that can be dedicated to development activities.

Affordable Housing Development Activities:

Staff evaluated several affordable housing activities to present a short-list of activities recommended for implementation based on feasibility, financial resources, staff capacity, the level of risk (legal and technical), and the potential impact of these activities towards the key goals outlined above.

Staff recommend the Housing Authority and New Horizons focus on the following four activities as initial next steps. Please note these activities are not mutually exclusive.

- **Land Banking:** Acquire property for future affordable housing development, which may include but not limited to self-development, turn-key development, and RFP disposition. This activity allows for the acquisition of available property in which a precise development approach can be determined at a later date. This activity acts as the first step in the development cycle to acquire property and to have a pipeline of projects for development.
- **Self-Development:** Develop property for affordable housing, with New Horizons acting as the developer through the pre-development and the construction phase of the project. This typically applies a design-bid-build or design-bid approach in which New Horizons enters a contract with a general contractor to construct the project but may also provide technical assistance with initial planning and design. The Natural Bridges project is an example of self-development activity.
- **Low-Rise Infill:** Acquire unused or underutilized property within existing development patterns and increase site density through small-form compact development such as ADUs, Tiny Homes, Duplexes, Triplex and Fourplex structures.
- **RFP Disposition:** This is a hybrid model in which New Horizons acquires a site, prescribes certain property conditions such as size, unit-mix, affordability requirements, amenities, features, or other requirements. The property is sold through a competitive RFP process in which developers may also secure financing from New Horizons and/or PBVs from the Housing Authority. The condition of sale will require deed restrict the property to establish affordability requirements.

Secondary options evaluated by staff were determined to be less feasible due to cost, complexity, market conditions, and increased risk. These activities included land lease for development, in which we enter a long term land-lease with a property owner to develop the site, acquire expiring use properties that are at risk of converting from affordable to market-rate housing, acquire foreclosed properties, acquire properties for adaptive reuse to convert hotels, motels, retain or commercial space to housing, and gap financing to provide financial resources to other affordable housing projects among the network of housing providers.

RECOMMENDATION: Receive Report; Adopt Staff Recommendation and Authorize Staff to Begin Exploring Opportunities Consistent with Recommended Strategies

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 (Tenant Rep. over 62 Years)

Meeting Date: April 25, 2023

Recommended Action(s):

- 1) Accept nomination of Richard F. Schmale for reappointment to the Housing Authority Board of Commissioners, as an at-large tenant representative over 62 years of age, in accordance with Resolution No. 389-69, for a term to expire May 12, 2025; and
- 2) Return for consideration of final appointment on May 9, 2023.

Executive Summary

Accept nomination for reappointment to fill an at-large tenant representative over 62 years of age position on the Housing Authority Board of Commissioners.

Background

Based on the letter received, Richard F. Schmale has been nominated to serve an additional two-year term, as the at-large tenant representative over 62 years of age, with final appointment to be considered on May 9, 2023.

Submitted by:

Zach Friend, Chair, Board of Supervisors

Attachments:

Letter of Housing Authority Board - Reappointment of Richard F. Schmale

APPOINTED
5/9/23

AGENDA ITEM SUMMARY

MEETING DATE: May 17, 2023

ITEM NUMBER: 8

FROM: Exec. Director; Deputy Exec. Director

SUBJECT: Director's Report – May 17, 2023

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Please call or e-mail me with questions you might have on any of the Agenda Items for the May 17, 2023 meeting. My phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

Natural Bridges Update – We are excited to report that the bird survey conducted on Tuesday, May 9th confirmed there were no longer any active bird nests on the site. Bogard Construction Inc. has been instructed to remove the 6 trees from the property by Tuesday, May 16. Upon tree removal Bogard will mobilize the site and commence excavation and grading work. The Housing Authority and New Horizons will celebrate the groundbreaking of this project on Tuesday, May 30 at 11:00am, in conjunction with Affordable Housing Month. A formal invitation is forthcoming.

Affordable Housing Month – May is Affordable Housing Month! Housing Santa Cruz County is taking a leadership role in organizing and coordinating a number of events throughout the month of May to encourage advocates and allies to join forces in highlighting the need for affordable housing, as well as promoting some of the work being done locally. The Housing Authority participated in an Affordable Housing Month “Kick-off” Event on Saturday, May 6th. Additionally, the Housing Authority will participate in the following Affordable Housing Month events:

- Jesse Street Terrace Groundbreaking
Friday 5/19 11am, 314 Jesse Street Santa Cruz CA
- Natural Bridges Apartments Groundbreaking
Tuesday 5/30, 11am, 415 Natural Bridges Drive Santa Cruz CA
- Affordable Housing Panel Discussion
Tuesday 5/30, 5:30pm, 224 Church Street, Santa Cruz CA

More information about Affordable Housing Month, including a calendar of activities, is available at Housing Santa Cruz County's website <https://www.housingsantacruzcounty.com/>.

Stability Vouchers – The Housing Authority of the County of Santa Cruz is among 8 communities statewide to have been awarded Stability Vouchers from HUD. The Stability Voucher Program provides Housing Choice Vouchers (HCVs) to housing authorities in partnership with local Continuum’s of Care (CoC) for persons and households experiencing homelessness or at risk of homelessness. While Stability Vouchers are very similar to Emergency Housing Vouchers (EHVs) as they serve the same population and operate through referrals from the County CoC, Stability Vouchers differ from EHV’s in that 1) they do not expire, and may continue to be reissued upon turnover, and 2) they may be Project Based. HUD has awarded our Housing Authority with 41 Stability Vouchers.

NAHRO Commissioner Training Opportunity: The Pacific Southwest Regional Council (PSWRC) of the National Association of Housing and Redevelopment Organization (NAHRO) is offering virtual classroom webinar trainings. Last month, staff provided information on trainings being held in late April. NAHRO has recently added two more Housing Authority Commissioner Fundamentals trainings that will be held July 25th through July 27th and October 31st through November 2nd both from 10:00 a.m. to 2:00 p.m. Information about this training can be found here <https://my.nahro.org/Trainings-Conferences/Training-List?name=Commissioners>. If you wish to attend any of these trainings, please email Courtney at courtneyb@hacosantacruz.org.

If you are not available or do not wish to attend any of these trainings, there will be other training opportunities from time to time, including in-person trainings at conferences within our region. We will keep you informed of these as we learn about them.

AB 653 – Federal Housing Voucher Acceleration Program: Assembly Bill 653, introduced by Assemblymember Reyes, would establish a Federal Housing Voucher Acceleration Program, which would require the California Department of Housing and Community Development (HCD) to establish, administer, and fund a grant program for public housing authorities statewide. The grants would be used to provide rental assistance and housing stabilization support specifically intended to increase voucher utilization, including activities like security deposit assistance and landlord incentives. The bill would also require that ALL housing authorities (even agencies that do not apply for funding) report key voucher management data to HCD, and would also require ALL housing authorities to take certain actions and establish certain policies if voucher success rates are below 60%. The California Association of Housing Authorities (CAHA) has significant concerns with the proposed legislation as written, and is engaging with the bill’s authors and sponsors.

Appropriations and Budget Update – Following President Biden’s FY2024 budget request, with a proposed \$1.1 billion increase in discretionary budget authority for HUD, new general purpose vouchers, mobility services, and increases to administrative fees, the House and Senate Appropriations Subcommittees have begun convening to establish their proposed appropriations. Secretary Fudge has urged both houses to pass an appropriations act in a timely manner, warning about the harmful impacts of continuing resolutions and the devastating impacts of the cuts proposed in recent debt ceiling discussions. Across party lines, members demonstrated understanding of the vital role that HUD programs have on the lives and outcomes of millions of Americans.