

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE ANNUAL BOARD MEETING
August 16, 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 June 21, 2023

Motion to Approve

B. County of Santa Cruz Housing Element

Receive Report

C. City of Scotts Valley Housing Element

Receive Report

D. Housing Authority Fiscal Year 2022/2023 Agency Goals – Final Report

Receive Report

E. New Horizon Programs and Services – FY23 Year 1 Report

Receive Report

F. Administrative Plan Amendment for MTW Waiver Implementation

Motion to Approve Amended Administrative Plan

G. Agency Share of Health, Dental, and Vision Insurance Premiums for CY2024

Motion to Approve Staff Recommendation for Changes to the Agency's Health, Dental, and Vision Insurance Contribution Levels.

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. Election of Officers

The Board of Commissioners of the Housing Authority of the County of Santa Cruz to Elect their Chairperson and Vice-Chairperson
 - B. Amendment to MTW Supplement

Motion to Approve the Amendment to the MTW Supplement to Include a Waiver Request to Establish Alternative Reasonable Cost Limits
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
 - A. Executive Director Employee Evaluation
11. Report on Closed Session
12. Adjournment

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

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

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

AGENDA ITEM NO. 1

Roll Call

Vice-Chairperson Berg called the meeting to order at 11:06 a.m. Members present Vice-Chairperson Berg, Commissioners Eligio, Melendrez, and Schmale (Commissioner Martinez Alaniz entered the meeting at 11:32 a.m.)

Members Absent

Chairperson Schiffrin (excused) and 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

Vice-Chairperson Berg commented on the City of Capitola Housing Element and the “Affordable Housing Overlay zone.” Vice-Chairperson Berg posed a question about the overlay and whether or not it was in violation of fair housing requirements. Secretary Panetta will reach out to city staff for clarification of the meaning of this term and may amend draft comments to city staff if necessary.

Vice-Chairperson Berg asked for a motion to approve the Consent Agenda unless any other Board of Commissioners or members of the public would like to pull an item from the agenda or have comments/questions on an item.

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, Melendrez and Schmale
NOES: None
ABSENT: Chairperson Schiffrin, Commissioners Martinez Alaniz and Morales
ABSTAIN: None

Agenda Item 3A. Approved Minutes of the Regular Meeting May 17, 2023

Agenda Item 3B. Approved Cancellation of the July 19, 2023 Regular Meeting

Agenda Item 3C. Received Report; Authorized Staff to Provide Feedback to City of Capitola Regarding Housing Element Draft

Agenda Item 3D. Approved Revisions to Personnel Policies and Procedures

Agenda Item 3E. Adopted Resolution No. 2023-06 Approval of Fiscal Year 2023-24 Budget for U.S. Department of Agriculture, Rural Development, Farm Labor Housing at 127-193 East Front Street, Watsonville, CA (“Casa Pajaro”).

AGENDA ITEM NO. 4

Oral Communications

None.

AGENDA ITEM NO. 5

Unfinished Business

None.

AGENDA ITEM NO. 6A

Moving to Work (MTW) Opt-Out Savings Program

Secretary Panetta reminded the Board that in September 2022, HUD designated the Housing Authority of the County of Santa Cruz (HACSC) as a Moving To Work (MTW) Agency through the MTW Asset Building Cohort, to test asset building initiatives designed to encourage the growth of savings accounts for assisted households and improve economic mobility. HACSC’s MTW Plan and Application selected the HUD defined “Opt-Out Savings Account” as the initial MTW asset building activity.

Secretary Panetta informed the Board of the HUD Opt-Out Savings Program requirements and the HACSC Opt-Out Savings Program proposed framework. HACSC staff proposes a random selection of fifty (50) households from all HACSC assisted households. These 50 households will be considered the HUD treatment group and will receive an initial contribution of \$120, followed by monthly deposits of \$100 for twenty-three (23) months. Secretary Panetta also informed the Board that in addition to HUD’s treatment group, HACSC staff propose to expand the program to include a deeply targeted group as well. For the deeply targeted group, staff propose to randomly select an additional twenty-five (25) extremely low-income households with less than \$500 in assets, to also receive a \$120 initial contribution followed by \$100 monthly contributions for 23 months. Secretary Panetta informed the Board of the next steps that staff will take to implement this savings program if the Board approves this proposal. A discussion followed. The Board of Commissioners thanked staff for the time spent on the proposal and the excellent program framework. The Board also expressed interest in expanding the groups to additional populations after the initial MTW pilot program.

Commissioner Eligio moved to approved Staff Proposal of the Opt-Out Savings Program Framework; Commissioner Melendrez seconded the motion and it as passed by the following vote:

AYES: Commissioners Berg, Eligio, Melendrez, and Schmale

NOES: None

ABSENT: Chairperson Schiffrin and Commissioners Martinez Alaniz and Morales

ABSTAIN: None

AGENDA ITEM NO. 6B

Housing Authority Equity Report Card and Action Plan

Secretary Panetta read to the Board the Mission Statement of the Housing Authority of the County of Santa Cruz. “The mission of the Housing Authority of the County of Santa Cruz 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.” Secretary Panetta emphasized that our mission is rooted in equity, and that the housing and rental assistance we provide through our programs is associated with improved outcomes in every aspect of a person’s life, mental and physical

health, educational attainment, employment, and beyond. Rental assistance programs like ours help ameliorate generational poverty and opportunity gaps that disproportionately impact persons of color, persons with disabilities, and other marginalized groups.

Secretary Panetta stated that as a public agency, the Housing Authority has a responsibility to address structural racism and inequity in the community through our work in housing. Secretary Panetta reminded the Board that last year, the Housing Authority Board of Commissioners included the establishment of an Equity Report Card as an Agency Goal. With this inaugural Equity Report Card, staff propose to establish Equity as a core value, and to make an agency-wide commitment to embed racial, social and economic justice in all our work. Secretary Panetta informed the Board that the Equity Report Card and Action Plan is in the Board packet for review. Secretary Panetta walked the Board through a Power Point presentation of the report and informed the Board of staff recommendations regarding equity. A discussion followed. The Board of Commissioners thanked staff for the report, and recommended more outreach to seniors as well as organizations that serve seniors.

Commissioner Eligio moved to adopt Staff Recommendations Regarding Equity with more senior outreach; Commissioner Melendrez seconded the motion and it as passed by the following vote:

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

AGENDA ITEM NO. 6C Housing Authority Annual Agency Goals

Secretary Panetta reminded the Board that each year, the Housing Authority Board of Commissioners establishes annual performance goals. Secretary Panetta informed the Board that the final report on FY 22/23 agency goals will be provided to the Board at the August meeting. Secretary Panetta informed the Board of the staff proposed Housing Authority Agency Goals for the upcoming 2023/2024 fiscal year. A discussion followed.

Commissioner Eligio moved to approve established Annual Housing Authority Agency Goals for 23/24 FY; Commissioner Melendrez seconded the motion and it as passed by the following vote:

AYES: Commissioners Berg, Eligio, Martinez Alaniz, Melendrez, and Schmale
NOES: None
ABSENT: Chairperson Schiffrin and 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 Drive development including the groundbreaking celebration event held May 30th.

Executive Director Panetta informed the Board that the County of Santa Cruz has released their draft Housing Element. Staff will be giving feedback before the next Board meeting as the comment period will have already ended.

Executive Director Panetta updated the Board on the appropriations and HUD budget.

Executive Director Panetta informed the Board that the Housing Authority, in partnership with Applied Survey Research, has recently completed and submitted an update Fair Market Rent (FMR) study to HUD. The data we provided to HUD will be used to establish FMRs for our jurisdiction. The new FMRs are expected to be issued in August with an effective date of October 1, 2023.

Executive Director Panetta informed the Board that the Authority has submitted a set-aside funding application to HUD for a funding adjustment which, if approved, would allow for the expanded use of CY2022 HAP reserves for the MTW eligible affordable housing development activity at Natural Bridges. Executive Director Panetta informed the Board that use of funding is consistent with the MTW Supplement approved by the Board in March.

AGENDA ITEM NO. 9

Reports from Board Members

Commissioner Martinez Alaniz apologized to the Board of Commissioners for being late to the meeting, Commissioner Martinez Alaniz stated there was construction and the traffic was bad.

Commissioner Berg informed the Board that on July 17th her home is being put on the foundation. If Commissioners are interested in joining, please email her. The Board of Commissioners and staff congratulated Commissioner Berg.

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 12:45 p.m.

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

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING JUNE 21, 2023, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

Vice Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: August 16, 2023

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: County of Santa Cruz Housing Element

RECOMMENDATION: Receive Report

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 County of Santa Cruz 2023-2031 Housing Element Update

The County of Santa Cruz is a member of the Association of Monterey Bay 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 4,634 housing units at varying affordability levels to the County of Santa Cruz. The County began its HE development shortly after the Final RHNA Plan was released by hosting community workshops and performing various analyses. Housing Authority staff participated in the Community Outreach as a participant in the Stakeholder Group, and attended Community Workshops as well.

The Public Review Draft was released on June 12, 2023, and the County will accept comments on it through July 11, 2023. Since the deadline for accepting comments is after the August Board meeting, and since staff feedback on the HE was consistent with feedback from other drafts, staff have already provided comments on the draft HE to the County. The County may revise the plan based on feedback received during the public comment period. In the third quarter of 2023, the County will submit the HE to HCD. The County may further revise the plan based on HCD's comments and it must adopt a substantially compliant HE by December 15, 2023.

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

The County's two guiding principles for this HE are (1) facilitating the development of new housing and (2) affirmatively furthering fair housing. To this end, the County intends to become a designated *pro-housing* community. A *pro-housing* community is a title given by HCD to jurisdictions that have favorable conditions for housing development, such as amenable zoning and land use policies. *Pro-housing* communities receive incentives through HCD, including the exclusive right to apply for various certain funding opportunities.

As part of its effort to become a pro-housing community and facilitate new housing development, the County intends to enact several zoning reforms. Some of these reforms include rezoning underutilized properties for multi-family housing or multi-family mixed-use; updating objective standards like floor area ratio, parking minimums, and height maximums to be less stringent; providing a 50% density bonus for certain projects leveraging land assembly; and rezoning a number of urban infill parcels pursuant to SB10, which allows up to ten units per parcel. The intended zoning reforms may significantly improve opportunities for both market rate and affordable housing developers to create new communities, including the Housing Authority.

The County also has several policies that relate specifically to the facilitation of affordable housing development, such as using impact fee revenue to fund housing projects and collaborating with non- and for-profit developers. Notably, the County identified project-based vouchers as a valuable tool.

Additionally, the County seeks to provide more housing opportunities for seniors, farmworkers, persons with disabilities, and other special populations. A selection of County policies includes evaluating zoning options for emergency shelters, permanent supportive housing, and transitional housing; requiring developers of County-funded projects to conduct targeted outreach to disabled households; encouraging the development of varied unit sizes; and encouraging senior housing with universal design to accommodate aging-in-place. Finally, the County intends to work with community stakeholders to improve housing outcomes for low-income families. The County seeks to coordinate housing strategies with other jurisdictions and expand opportunities for voucher holders by collaborating with the Housing Authority, Housing for Health Partnership, and other local organizations.

Additional Opportunities for Partnership with the County

Housing Authority staff have a very strong partnership with the County of Santa Cruz. County 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 County 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. The two guiding principles that shaped this HE are facilitating the development of new housing and affirmatively furthering fair housing. Housing Authority staff appreciate that the County's draft HE recognizes the role of Project Based Vouchers in the development of new affordable housing, along with the effort to become a *pro-housing community*. Additionally, the County could expand on the goal of affirmatively furthering fair housing through the provision of additional programs offering tenant protection and legal assistance, along with programs to ensure that housing providers practice non-discriminatory consideration of voucher holders as eligible applicants to rental properties, and assist in filing fair housing claims if a tenant needs support with such a claim.

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

RECOMMENDATION: Receive Report

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA ITEM SUMMARY

MEETING DATE: August 16, 2023

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: City of Scotts Valley Housing Element

RECOMMENDATION: Receive Report

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. Additionally, the jurisdiction must adopt an HE that is substantially compliant with state law.

Timeline and Process of the City of Scotts Valley 2023-2031 Housing Element Update

The City of Scotts Valley is a member of the Association of Monterey Bay 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 1,220 housing units at varying affordability levels to the City of Scotts Valley. The City began its HE development shortly after the Final RHNA Plan was released, hosting community workshops and performing various analyses. The Public Review Draft was released on May 19, 2023, and the City accepted requested comments on it through June 19, 2023. The City considered the feedback received and submitted its initial draft to HCD. Since staff feedback on the HE was consistent with feedback from other drafts, staff have already provided comments on the draft HE to the City. The City must adopt a substantially compliant HE by December 15, 2023. The City will receive HCD's comments and may revise the draft based on them, as well as any other community input that is provided.

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

To help promote housing development, the City intends to enact a number of zoning reforms that will be more amenable to multi-family housing. For example, the City stated that they will rezone

33 parcels to permit mixed-use developments of up to 70 percent residential and ranging up to 40 dwelling units per acre. It may also adopt an amendment to the Town Center Specific Plan for allow for greater densities. Additionally, the City will review its objective standards and determine if it will ease restrictions, such as reducing parking requirements in multi-family projects, increasing height limits, or removing all subjective criteria in the design review process. As part of the effort to increase the housing stock, the City will direct resources to parcels that are difficult for development. For lots larger than ten acres, the City will provide technical assistance to developers and promote the construction of affordable housing in these areas. For vacant and underutilized lots less than half an acre, land assembly (consolidation) will be encouraged, meaning that contiguous parcels can be combined. In conjunction with assembly, the City will evaluate the appropriateness of development incentives, such as a reduction in setback requirements, to ensure project success.

The City intends to further fair housing and expand and protect housing options for all demographics, including special populations. A selection of its policies that may encourage housing for special populations are collaborating with developers to identify the needs of persons with disabilities, and encouragement of emergency shelter and low-barrier navigation centers. Finally, the City will also promote the Housing Choice Voucher Program within the jurisdiction by conducting outreach to property owners to encourage participation in the program and education owners on the state law banning housing discrimination.

Additional Opportunities for Partnership with the City of Scotts Valley

The Housing Authority of the County of Santa Cruz has a strong partnership with the City of Scotts Valley. City staff and elected officials have historically been supportive of Housing Authority programs and services, and have sought to support and supplement Housing Authority programs and services through a variety of ways, including funding for landlord incentives.

There are still opportunities for the Housing Authority and the City to strengthen our partnership and for the City to expand on the existing draft HE. For example, the City could identify the critical role that the Housing Authority maintains in the development of affordable housing by recognizing the support provided through the Project-Based Voucher (PBV) Program. Specifically, the City noted multiple constraints to housing development, including land and construction costs. The PBV Program mitigates these barriers by providing the owner with market rate rents on below-market rate units, allowing the owner to sufficiently cover operating expenses and debt service, while ensuring affordability for low-income residents. Finally, although the City is currently covered under the County of Santa Cruz security deposit program, this program regularly depletes available funding, leaving gaps in security deposit assistance coverage for low-income residents. The City may wish to fund a security deposit assistance program of it's own to ensure continued coverage for low-income families who secure housing in the City but who are not able to provide the deposit required to enter a lease.

The full text of the Draft City of Scotts Valley Housing Element is available online at this link:
<https://www.scottsvalley.gov/447/Housing-Element-Drafts>

RECOMMENDATION: Receive Report

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

MEETING DATE: August 16, 2023

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: Housing Authority Fiscal Year 2022/2023 Agency Goals – Final Report

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Each year, the Housing Authority Board of Commissioners establishes annual performance goals for the Agency. The following goals were established for the period of 7/1/2022 – 6/30/2023. The target date for completion of all goals was 6/30/23 unless otherwise stated. This report demonstrates the progress on these goals over the course of the fiscal year and the extent to which the goals have been met.

1. Expand Housing Choice Voucher Program:

a. Achieve/Maintain voucher utilization rates of at least 95% for HCV program:

	Baseline	Q1	Q2	Q3	Q4
HCV Utilization Rate	92.3%	92.5%	93.2%	94.0%	95.2%

b. Achieve 95% utilization rate for new Emergency Housing Vouchers

	Baseline	Q1	Q2	Q3	Q4
EHV Utilization Rate	63.9%	78.4%	98.9%	100.0%	98.9%

c. Increase total number of households assisted by at least 80 households

	Baseline	Q1	Q2	Q3	Q4
HCV Households	5,023	5,043	5,097	5,203	5,259
Cumulative Increase	N/A	+20	+74	+180	+244

d. Increase number of landlords participating in the HCV program by at least 50

	Baseline	Q1	Q2	Q3	Q4
HCV Landlords*	N/A	1,843	1,852	1,889	1,923
Cumulative Increase	N/A	N/A	9	46	80

** Previous report showed a baseline of 2,307 landlords. Upon data validation, staff discovered that the report being used was not accurately filtering out duplicates. New data has been provided for quarters 1 and 2 to provide a like comparison and a true count of program landlords. A similar report from 7/1/22 is not available. An equivalent goal prorated over 3 quarters is 37.5.*

2. Expand Affordable Housing Supply:

a. Project Based Vouchers approved for at least 125 additional units, with a priority for, and at least 50% of these units available to, top HCV applicants

In Fiscal Year 2022/2023, the Housing Authority conditionally awarded a total of one hundred twenty-four (124) PBVs, just one unit short of our goal. One hundred eleven (111) PBVs were conditionally awarded to four (4) new housing developments and thirteen (13) were awarded to one (1) existing housing development. Of these PBVs, 73.4% of the units will be immediately available to top HCV applicants. Over time, 83.9% of the units will be available to top HCV applicants.

New Housing

- **Project:** Natural Bridges – 415 Natural Bridges Drive, Santa Cruz, CA 95060
Developer: New Horizons Affordable Housing and Development
Jurisdiction: City of Santa Cruz
Total PBVs: 20 – all to top HCV applicants

- **Project:** Downtown Library – 600-698 Cedar Street, Santa Cruz, CA 95060
Developer: Eden Housing
Jurisdiction: City of Santa Cruz
Total PBVs: 31 – all to top HCV applicants

- **Project:** West of Fairview – Lot 100, Hollister, CA 95023
Developer: Eden Housing
Jurisdiction: City of Hollister
Total PBVs: 40 – all to top HCV applicants

- **Project:** Harvey West Studios – 119 Coral Street, Santa Cruz, CA 95060
Developer: MidPen Housing
Jurisdiction: City of Santa Cruz
Total PBVs: 20 *additional* PBVs (previously awarded 60, new total of 80 PBVs)

- 5 Veterans Affairs Supportive Housing (VASH)
- 10 Disabled Medically Vulnerable (DMV)
- 5 Shelter Plus Care (S+C)

Existing Housing

- **Project:** Merrill Road Apartments – 3201 Merrill Rd, Aptos, CA 95003
Developer/Owner: Merrill Road Associates
Jurisdiction: County of Santa Cruz
Total PBVs: 13 – all for top HCV applicants after depletion of the current site-based waiting list.

b. Begin construction of Natural Bridges Drive in Spring 2023, with expected occupancy in Spring 2024

Natural Bridges Apartments is officially under construction! On Tuesday May 30, New Horizons held the groundbreaking celebration event for Natural Bridges which included remarks by Congressman Jimmy Panetta, Mayor Fred Keeley and current and former Housing Authority Board members. The building foundation is scheduled to be completed in August, which will be proceeded by framing, and the roof is scheduled to be in place by the end of October. Construction is scheduled to be completed in July 2024.

c. Examine Housing Authority / New Horizons role in affordable housing supply and provide recommendations to Board on strategies for future projects and initiatives.

At the May 2023 Board of Commissioners meeting, Housing Authority staff presented the Board with a report on the Role of the Housing Authority and New Horizons Affordable Housing and Development in Affordable Housing Supply. The purpose of the report was to work with the Board to establish a strategy to engage in real estate activities which include the acquisition, development, disposition, and financing of affordable housing. Staff recommended strategies including land banking, self-development, low-rise infill, and RFP disposition models of development. The Board voted to adopt the staff recommendations and authorize staff to begin exploring opportunities consistent with the recommended strategies.

3. Improve Quality of Housing Stock:

- a. Modernize at least 20 Housing Authority owned or controlled units upon turn-over, which includes refinishing cabinets, painting, installing new flooring, replacing appliances, and installing new exhaust fans.**

During FY 22/23, the Housing Authority experienced a total of 19 unit turnovers, out of which 18 underwent some form of modernization. Upon turnover the Housing Authority assesses the unit to determine what repairs and modernization work is needed before leasing the unit to a new tenant. During this fiscal year, 5 units received full modernization with 2 additional units currently undergoing full modernization. Full modernization work involves complete unit painting, replacements of lighting fixtures, electrical outlets, light switches, thermostats, bathroom fans, blinds, doors if damaged or missing, range hoods, bathroom and kitchen sinks, faucets, angle stops, supply lines, flooring. Some units required appliance replacements of stoves and refrigerators. There were also 11 units that received some level of repairs, cleaning and/or modernization and 1 unit with completion expected during the 1st quarter of FY24. These units typically receive new flooring, a full unit repaint, general maintenance and cleaning.

4. Increase Programs and Services:

a. Implement New Horizons Programs and Services year one activities

See agenda item 3E.

b. Conduct resident satisfaction survey

The Housing Authority initially planned to conduct a resident satisfaction survey in the second half of 2023 and as part of the FY23 Quarter 3 Report staff made the recommendation for the survey be conducted in 2024. The resident survey is expected to include topics ranging from resident satisfaction with the conditions of their unit, to resident satisfaction with property management, as well as use of and satisfaction with new resident programs and services such as internet access, METRO passes, and newsletters. Conducting the resident satisfaction survey in 2024 will ensure residents can provide feedback on implemented initiatives such as the METRO pass program, New Horizons Scholarship, and New Horizons Publications, and to assess how we can better assist residents with access to high-speed internet service and other new service opportunities.

c. Develop proposal for expanded programs and services in year two based on experience with year one implementation and results of resident satisfaction survey

Housing Authority staff presented information and recommendations to the Board in June 2023. The Board of Directors approved the proposal which continued implementation of all year one activities and added two new activities, including mediation services and tenant / landlord workshops.

The Housing Authority is engaged with the Conflict Resolution Center to promote the Housing Mediation Program to both tenants and landlords. The goal of this partnership is to offer mediation services to resolve disputes between tenants and landlords, preserve tenancies to avoid displacement, and prevent disputes from escalating to eviction or entering the court system.

The Housing Authority will work with partners agencies to offer tenant and landlord workshops to both parties. These workshops will include topics such as tenant and landlord rights, fair housing and informational resources on participating in the HCV program. The Housing Authority will partner with California Rural Legal Assistance, Senior Legal Services and other organizations that can support relationships between tenants and landlords, reduce discrimination and injustice, and enhance their knowledge on working with the Housing Authority.

d. If approved for MTW designation, develop and implement asset building program

The Housing Authority has been approved for MTW designation and has executed an updated Annual Contributions Contract (ACC) effective 1/1/23 formalizing our admission into the MTW program. Additionally, staff have finalized and submitted the MTW Supplement to the Agency Plan. Over the past several months, Housing Authority staff have been working with HUD, HUD evaluators, and local partners to develop an asset building program framework. At the June meeting, the Board of Commissioners approved a program framework developed in accordance to HUD’s requirements. Staff will work with HUD and HUD evaluators to implement the program according to HUD’s timeline. At this time, implementation is expected to begin in October 2023.

5. Improve Agency and Program Management:

a. Increase the percentage of timely annual re-examinations to 95% as measured by HUDs Section Eight Management Assessment Program (SEMAP)

	Baseline	Q1	Q2	Q3	Q4
Percentage of timely ARs reflected in HUD SEMAP	87%	92%	96%	97%	97%

b. Begin development of waiting list applicant portal, with anticipated waiting list portal launch by 12/31/23.

Administrative Services and Data Analyst staff have continued to meet with software vendor Yardi to customize wording and letters for the applicant portal and are pending finalization of the custom letter and terms and conditions wording from Yardi. Staff have reviewed the portal functionality and are ready to send letters to a small waitlist (Sunrise Senior Apartments) to ask applicants to update their records via the portal with

instructions on how to log on. The results of the pilot test will inform any needed changes to our implementation approach before advancing to the Housing Choice Voucher waiting lists. Housing Authority staff are still working with our software vendor to finalize transfer of USDA and Merrill waitlists into the Housing Authority waiting list module pending Yardi confirmation of merging of duplicate records.

c. Retain SEMAP High Performer Designation

The Section Eight Management Assessment Program (SEMAP) measures the performance of Housing Authorities in their administration of the Housing Choice Voucher Program, using 14 indicators, including data from HUDs online system as well as a file review. SEMAP designation is determined at the end of each Fiscal Year. For the past two years, we have been exempted from SEMAP due to COVID waivers, and have retained our High Performer designation. This year, we had expected to be subject to SEMAP once again. However, MTW agencies are exempt from participation in SEMAP. HUD is in the process of developing a new assessment system for MTW agencies. Until that time, this agency goal is no longer applicable.

d. Develop Equity Report Card and Action Plan

Housing Authority staff presented an Equity Report Card and Action Plan to the Board of Commissioners in June 2023. The Board accepted the report and adopted the recommendations proposed by staff.

e. Develop and launch Employee Recognition Program

Housing Authority management have developed a “Qualities of Excellence” Employee Recognition program which was launched in January. Over the first two quarters of the program, staff have submitted over ten nominees, and these staff have been awarded a Qualities of Excellence certificate and recognized at our staff meetings.

RECOMMENDATION: Receive report

AGENDA ITEM SUMMARY

MEETING DATE: August 16, 2023

ITEM NUMBER: 3E

FROM: Executive Director

SUBJECT: New Horizon Programs and Services – FY23 Year 1 Report

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

In June 2022, the Board of Directors for New Horizons Affordable Housing and Development (New Horizons) approved the recommendation for the Housing Authority and New Horizons, collectively referred to as the Housing Authority, to develop and implement a client services program, referred to as New Horizon Programs and Services.

The following activities were approved for the first year of New Horizons Programs and Services:

- Internet Services
- New Horizon Publications
- Loss Mitigation Fund
- Security Deposit Gap Assistance
- Affordable Housing Alerts
- Transportation Services
- Scholarship Program
- Resident Survey

The Housing Authority committed to providing the Board of Directors a year-end report on the first year activities. The following first annual report provides details on each activity and the status/outcomes of implementation.

PROGRAM SERVICES REPORT:

Internet Service

Summary:

During FY23 the Housing Authority partnered with Cruzio to expand access to free wireless internet services. Via the utilization of grant funding through The County of Santa Cruz, Cruzio installed wireless internet infrastructure across 3 Housing Authority owned properties, with 2 additional properties completed in early FY24 and one additional property currently undergoing installation. Once the residential units have access established, the residents are given the opportunity to participate in the Equal Access Santa Cruz program offered through Cruzio, free of

charge. At this time, the residents will receive free high speed internet access, and New Horizons will pay the \$15 monthly fee on behalf of each of the connected households. This free service is actively marketed to all eligible households and will continue to be promoted to increase subscription rates. The Housing Authority is actively working with Cruzio and the County of Santa Cruz to explore any additional funding opportunities that will support further wireless infrastructure expansion across the remaining Housing Authority sites and cover the gap in subscription costs to the residents.

In addition to working with Cruzio, the Housing Authority promoted the Affordable Connectivity Program (ACP) to all clients during FY23. The ACP flyer was sent to clients in their reexamination packet and was also featured in the summer newsletter. This program provides a \$30/mo. discount on internet services, regardless of the provider. The program also provides up to \$100 that can be used towards internet capable electronic devices. The ACP is currently funded through 2024 and is anticipated to be renewed through upcoming legislation. Participation in ACP will be assessed during the upcoming biennial survey in Q1 of 2024.

Implementation Status: Ongoing

Performance Metrics:

- 5 HA controlled properties with completed installation by Cruzio which consist of 105 units ready for access
- 49 HA controlled units receiving financial support with subscription fees.
- Number of tenants reporting access to free or affordable internet services (Biennial Survey)
- 19 Units scheduled for Cruzio installation.
- 47% Connectivity Rate (percentage of residents with access to Cruzio utilizing free service through New Horizons)

<u>HA Owned and Managed Properties with Exterior Antenna Equipment Installed</u>				
Property	City	Unit Count	Access Status	Active Users
30th	Santa Cruz	19	Install scheduled for July/Aug. 2023	N/A
Arista Court	Watsonville	16	Connected July 2023	TBD
Arista Lane	Watsonville	15	Connected July 2023	TBD
Casa Pajaro	Watsonville	34	Connected	30
Crestview	Watsonville	16	Connected	13
Portola	Santa Cruz	24	Connected	6
Total		105		49

New Horizons Publications:

Summary:

The Housing Authority issued the first edition Newsletter, Summer 2023, that was distributed to all residents of Housing Authority owned and controlled properties and HCV program participants, of approximately 5,711 households. While the first edition was in print form, the Housing Authority intends to give clients the option of receiving the newsletter via email. Electronic newsletters are intended to reduce waste and save on costs associated with print and mail.

Implementation Status: Completed

Performance Metrics:

- Number of tenants that register for the e-version of newsletter. This information is anticipated to be collected prior to distribution of the next newsletter.
- Number of tenants that find the publication useful and informative. (Biennial Survey)
- 5,711 Households received HA Newsletter.

Loss Mitigation Funds:

Summary:

The New Horizons Loss Mitigation program is an existing program that is fully established and implemented. The goals of this program are to improve landlord satisfaction and to retain units available to participants. New Horizons continues to provide loss mitigation funds to landlords participating in the HCV, Section 8 program. Landlords may file a claim for up to \$5,000 for loss or damages. The first \$2,500 of each claim is paid by the local jurisdiction. New Horizons pays any amount in excess of \$2,500 up to the \$5,000 program cap. During FY23 New Horizons funded 21 claims, for a total of \$44,917.74.

Implementation Status: Completed

Performance Metrics:

- New Horizon paid \$44,917.74 to landlords as part of this program.
- 21 claims paid to landlords.
- Of the 21 claims, 9 units were rented back to an HCV participant.

Security Deposit Gap Assistance:

Summary:

The New Horizons Security Deposit Gap Assistance program is an existing program that is fully established and implemented. This program continues to be available to new residents of New Horizon properties, if and when jurisdictional security deposit funding has been depleted. During FY22/23 there was a total of 2 households requesting assistance of \$1,000 each.

Implementation Status: Complete

Performance Metrics:

- 2 payments made on behalf of tenants.
- \$2,000 in total assistance paid.

Waiting List Alert System:

Summary:

In August 2022 the Housing Authority launched the Affordable Housing Alerts (AHA) system. As of July 2023, there were 2,164 registrants that have signed up for alerts. The Housing Authority has sent five notices of housing opportunities, including notification of open waitlists at Lincoln

Square Apartments, Pacifica Apartments, Sunrise Senior Apartments, Bienestar (1500 Capitola Rd.) and a new construction homeownership for three units in Scotts Valley.

Implementation Status: Complete

Performance Metrics:

- 2,164 registrants participating
- 5 open wait list opportunities announced
- 5 different housing providers using the service.

Transportation Services:

Summary:

In December 2022, the Board of Directors for the Santa Cruz METRO, a public transportation agency, approved the recommendation to enter a contract with the Housing Authority for the EcoPass Pilot Program. The EcoPass Pilot provides the Housing Authority with a discounted rate of 90% off the regular fare. As part of the program the Housing Authority has agreed to cover the rider portion of the pass cost to provide free bus transportation passes to residents at Housing Authority owned and controlled properties.

In January 2023 the Board of Director for the Santa Cruz METRO approved the Youth Ride Free pilot program, effective from March 1, 2023, through March 1, 2024, which is available to residents under the age of 18 residing in Housing Authority owned and controlled properties. The Housing Authority engaged with the Santa Cruz METRO to amend our contract to exclude youth residents and to augment the effective dates of the contract to account for the start of activities. The program was rolled out in July of 2023 and will continue through the initial term of one year with an option to renew for subsequent years. The program has been marketed to all residents of Housing Authority owned or managed properties through direct mailings, flyers in the common areas at properties, and in the Summer 2023 Newsletter. Participation figures will be provided via quarterly updates to the Board of Commissioners.

Implementation Status: Ongoing

Performance Metrics:

- Achieved approval by METRO Board of Directors to participate in ECO Pass program.
- Program announced to all residents of Housing Authority owned and managed properties in July 2023
- 12 tenants issued an ECO Pass card in the first month of program implementation.
- Number of tenants that actively use the Eco Pass card monthly. This information will be collected in coordination with METRO after a sufficient amount of time has passed. We anticipate this to be 6 months into the program.
- Number of tenants that report increased access to transportation. (Biennial Survey)

Scholarship:

Summary:

The application period for the first annual New Horizons Scholarship started on April 10 and closed on May 31, 2023. An impressive 97 residents or program participants submitted applications, far exceeding HA staff's expectations for the initial year. The total scholarship fund was increased from \$40,000 to \$60,000 after receiving approval from the board at the June BOC meeting. While some preliminary scholarship metrics are provided below, staff are still in the process of contacting scholarship recipients and will collect additional information. The final results of the scholarship program will be presented in the next quarterly update to the Board of Commissioners.

Implementation Status: Complete

Performance Metrics:

- 97 Applicants
- 58 eligible scholars selected to receive a scholarship
- \$60,000 in scholarship funds awarded

Biennial Resident Satisfaction Survey:

Summary:

The Housing Authority initially planned to conduct a resident satisfaction survey in the second half of 2023. Staff have subsequently recommended that the survey effort be expanded to include additional populations (residents, program participants, and landlords) and included in the Year 2 plan to be conducted in 2024.

The resident survey is expected to include topics ranging from resident satisfaction with the conditions of their unit, to resident satisfaction with property management, as well as use of and satisfaction with new resident programs and services such as internet access, METRO passes, and newsletters. Conducting the resident satisfaction survey in 2024 will ensure residents can provide feedback on implemented initiatives such as the METRO pass program, New Horizons Scholarship, and New Horizons Publications, and to assess how we can better assist residents with access to high-speed internet service and other new service opportunities.

The Housing Authority is also exploring a more comprehensive survey model which will include outreach to landlords, property owners and other stakeholders to attract and maintain strong relationships with housing providers to rent units to our households. This may include survey questions on navigating the program with clients and the Housing Authority, program procedures, and initiatives such as owner assurance program and other incentive programs.

Implementation Status: Planned for 2024

Additional Activities:

The Housing Authority and New Horizons continued to explore opportunities to engage with clients to provide services or initiatives to enhance their quality of life. This includes researching grants, funding opportunities and partnerships. The bike giveaway event is an example of a

partnership that was not part of the Year 1 Plan, but was facilitated through Client Services resources.

Bike Giveaway:

Summary:

In December of 2022, The Housing Authority partnered with the Community Bike Collective to host a bike giveaway event for the residents of 308, 310 and 314 Clifford Ave. The Community Bike Collective is a local nonprofit organization committed to making biking more accessible to all members of the Santa Cruz County community. Through this partnership the Housing Authority was able to supply 30 residents with refurbished bicycles and helmets that were provided by the Community Bike Collective. The Housing Authority plans to host another bike giveaway in August of 2023.

Performance Metrics:

- 30 bicycles provided to residents.

Measures and Outcomes

Below is a summary of the outcome metrics that were presented in the first-year plan. These metrics are intended to gauge the overall success and participation rates of the various initiatives. Note that some of the services will rely on the results of the upcoming biennial survey and are not available at this time. Additionally, there are certain activities that have not had sufficient time for data collection. The data that relates to these activities will be presented in future updates after sufficient time has passed for data collection, these activities will be shown below as TBD.

Service	Outcome Measures
Internet Service	5 HA controlled properties with completed installation by Cruzio which consist of 105 units ready for access
	49 HA controlled units receiving financial support with subscription fees
	19 Units scheduled for Cruzio installation
	47% Connectivity Rate (percentage of residents with access to Cruzio utilizing free service through New Horizons)
	Number of tenants reporting access to free or affordable internet services (Biennial Survey)
Publications: Move-In Packet & Biannual Newsletter	Number of tenants that register for the e-version of newsletter. This information is anticipated to be collected prior to distribution of the next newsletter
	Number of tenants that find the publication useful and informative. (Biennial Survey)
	5,711 Households received HA Newsletter

Loss Mitigation	\$44,917.74 paid to landlords by New Horizons
	21 claims paid to landlords
	Of the 21 claims, 9 units were rented back to an HCV participant
Security Deposit Gap Assistance	2 payments made on behalf of tenants
	\$2,000 in total assistance paid
Waiting List Alert System	2,164 registrants participating
	5 open wait list opportunities announced
	5 different housing providers using the service
Transportation Services (METRO)	Achieved approval by METRO Board of Directors to participate in ECO Pass program
	Program announced to all residents of Housing Authority owned and managed properties in July 2023
	12 tenants issued an ECO Pass card in the first month of program implementation
	Number of tenants that actively use the Eco Pass card monthly. This information will be collected in coordination with METRO after a sufficient amount of time has passed. We anticipate this to be 6 months into the program
	Number of tenants that report increased access to transportation (Biennial Survey)
Scholarship	97 Applicants
	58 eligible scholars selected to receive a scholarship
	\$60,000 in scholarship funds awarded
Biennial Residential Satisfaction Survey	Prepare and conduct biennial survey. TBD
	Number of responses to survey. TBD
	Review results and prepare updated recommendation for resident service program. TBD

Conclusion:

The Housing Authority is excited with the direction of New Horizons Programs and Services and the opportunity to provide support to our residents and program participants in areas beyond housing and rental assistance. During the first year the pace of the implementation of new programs and services was impacted by staffing capacity. The Housing Authority hired a Director of

Property Management and Clients Service which has provided additional capacity to coordinate and implement the existing services and is working to identify and develop new services for clients.

The designation as a MTW agency will support these activities and will provide opportunities to promote economic mobility through program services. The addition of a full-time Client Services Coordinator is one such opportunity that will add additional capacity for service delivery and development. The Housing Authority has presented the New Horizons Board of Directors with the New Horizon Programs and Services Year 2 proposal and looks forward to continued progress and development of initiatives.

AGENDA ITEM SUMMARY

MEETING DATE: August 16, 2023

ITEM NUMBER: 3F

FROM: Executive Director

SUBJECT: Administrative Plan Amendment for MTW Waiver Implementation

RECOMMENDATION: Approve Amended Administrative Plan

BACKGROUND SUMMARY:

On June 14, 2023, HUD provided conditional approval of the Housing Authority's Annual Plan and Moving to Work (MTW) Supplement. HUD is still reviewing the Agency-Specific Waivers and Safe Harbor Waiver requests submitted as part of the Housing Authority of the County of Santa Cruz's Moving to Work (MTW) Supplement to its Fiscal Year beginning July 1, 2023. The following waivers remain under review:

- Waiver of 24 CFR 982.455 – Automatic Termination of HAP contract; Extend Zero HAP to 360 Days
- Waiver of 24 CFR 982.516 and 982 Subpart E and 983 – Allow use of Tenant Income Certification (TIC) for PBV eligibility determination.
- Waiver of Certain provisions of sections 23(b)-(f), and (n)(1) of the 1937 Act and 24 CFR 984.101-105, 984.201-204, 984.301-306 and 984.401 - Opt-Out Savings Account (HCV)
- Safe Harbor Waiver – Tenant Rent Policies – Alternative Income Exclusions

Documents relying upon the approved PHA Plan and MTW Supplement, such as the Administrative Plan, must be updated to reflect those policies. Staff have completed a draft update to the Housing Choice Voucher Administrative Plan to reflect implementation of all approved waivers. The draft provided for review is a redline version with “track changes” enabled so that all proposed revisions are visible. The revisions include changes made for alignment with the MTW Supplement, as well as other minor changes that are unrelated to the MTW Supplement. Changes to the Administrative Plan have been summarized in an overview, with information about each proposed change, the basis for the change, and any applicable notes.

RECOMMENDATION: Approve Amended Administrative Plan

ATTACHMENTS:

1. Overview of Proposed Changes to the Housing Choice Voucher Administrative Plan
2. Amended Housing Choice Voucher Administrative Plan

Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications

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Item #	Sec #	Pg #	Section Title	Proposed Wording	Explanation
1	IV	16	Occupancy Policies	<p>Households with children who have been placed in foster care will keep their voucher size for at least 12 months after the child is removed, <u>but may be removed from the household at the next regular re-examination following the 12 month period, or after being provided at least 120 days notice following the 12 month period.</u> However, at the annual review following 12 months after removal (the second annual reexamination after removal) the household will be downsized. When the child returns from foster placement, the household will be upsized at the interim and the payment standard will be updated at that time. The household will not be required to wait until their next annual re-examination to be upsized or to have their payment standard updated.</p> <p>Households with military servicepersons on active duty will be downsized at the first transfer or annual review <u>regular re-examination</u> following the departure of the serviceperson <u>or after being provided at least 120 days notice following the departure of the serviceperson.</u> When military servicepersons on active-duty return, the household will be upsized, and the payment standard will be updated at the interim. The household will not be required to wait until their next annual re-examination to be upsized or to have their payment standard updated.</p>	Implementation of MTW Waiver 3.b. Alternative Reexamination Schedule for Households
2	XIV	26	Process for Establishing Payment Standards	<u>Under MTW authority approved by HUD,</u> Upon HUD Approval of the Housing Authority's MTW Supplement, the Housing Authority may <u>utilizes</u> payment standards that fall between 80%-120% FMR.	Implementation of MTW Waiver 2.b. Payment Standards – Fair Market Rents
3	XVII	30	Project Based Voucher Program	<u>Under MTW authority, the Housing Authority has a Program Cap of 50% of ACC or total budget authority.</u>	Implementation of MTW Waiver 9.a. Increase PBV Program Cap
4	XVII	30-31	Project Based Voucher Program	<p>3. <u>Project-Based Vouchers Per Complex (Income-Mixing Requirements or Project Cap)</u> The Housing Authority, <u>under MTW flexibilities, may project-base up to 100% of the units at a project. The scoring criteria established by the Board of Commissioners determines how many PBV units a particular project may</u></p>	Implementation of MTW Waiver 9.b. Increase PBV Project Cap

Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications

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				<p><u>be eligible for. More information about these requirements can be found in the PBV Application and PBV Request for Proposals (RFP) Evaluation and Scoring Criteria, available on the Housing Authority's webpage.</u> follows HUD's Income Mixing (Project Cap) requirements. Unless units are designated as Excepted Units per HUD regulations, the limitation on the number of PBVs in a project is the greater of twenty five (25) units or twenty five percent (25%) of the units in a project.</p> <p>For units in projects that are in a census tract with a poverty rate of twenty percent (20%) or less, the limitation on the number of PBVs in a project is the greater of twenty five (25) units or forty percent (40%) of the units in a project.</p> <p>The following units are excluded from the 25 percent or 25-unit Project Cap:</p> <ol style="list-style-type: none">3. Units exclusively serving elderly families (aged 62+);4. Units housing households eligible for supportive services. Services must be continually available to all families receiving PBV assistance in the project. <p>Upon HUD Approval of the Housing Authority's MTW Supplement, the Housing Authority may, at their discretion, raise the PBV cap within a project to support units in excess of the 25 percent or 25-unit Project Cap in accordance with the MTW waiver approved by HUD.</p> <p><u>I. Services offered in PBV Supportive Services Excepted Units</u> In order for the supportive services exception to apply to a unit, the project must make supportive services continuously available to all eligible families in the project, and the family must be eligible for one or more of the services. The family may, but is not required to, participate in the services. Types of supportive services available to assist families in the project-based voucher program may include education, employment, health-related, transportation, personal assistance, housekeeping, money management, and other services designed to help the eligible family live in the community as independently as possible. These services will be continuously available to all residents at project-based voucher assisted projects. Services will be</p>	
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Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications

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				<p>designed to help the families in the project achieve self-sufficiency or live in the community as independently as possible.</p>	
5	XVII	32-34	Project Based Voucher Program	<p>7. <u>Project-Based Voucher Selection</u> Housing Authority staff will assure that the project meets PBV goals, civil rights requirements, and HQS site <u>selection</u> standards.</p> <p>a) <u>Non-Competitive PBV Selection Process</u></p> <p><u>i) The Housing Authority may provide PBV assistance to a project in which the Housing Authority has an ownership interest or over which the Housing Authority has control, without using a competitive process, but only in cases in which the Housing Authority is engaged in an initiative to improve, develop, or replace a public housing property or site, and when the Housing Authority describes what it means to substantially comply with HUD’s housing quality standards.</u></p> <p><u>The unit will “substantially comply” if the unit has passed an HQS inspection within the past 24 months, or if at least 50% of the units at the project have no life-threatening fail items.</u></p> <p>The Housing Authority has recently converted 234 units of public housing property currently owned by affiliated nonprofit New Horizons. The Housing Authority may apply project-based vouchers to these units without using a competitive process <u>in order to retain affordability of these units.</u></p> <p>ii) Any existing PBV HAP contract may be amended to add units by mutual agreement of the Housing Authority and the owner without competitive selection in order to increase housing opportunities for existing voucher holders and special populations. The amendment is subject to all PBV requirements.</p> <p>b) <u>Competitive Selection Process for PBV Award to PHA-Owned Units</u> If the Housing Authority wishes to project-base units at a property in</p>	<p>Implementation of MTW Waiver 9.c. Elimination of PBV Selection Process without Improvement, Development, or Replacement</p>

Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications

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				<p>which it has an ownership interest, and the proposed project does not meet the Non-Competitive Selection Process criteria, the proposal in question will be scored by designated Housing Authority staff <u>based on the scoring criteria established by the PHA Board of Commissioners</u>. If chosen to receive PBV, the selection will be forwarded to the HUD field office or a HUD approved independent entity for review. The HUD field office, or designee, will review the proposal to determine if the Housing Authority owned units were appropriately selected, based on the selection procedure specified in the Administrative Plan.</p> <p>If housing is selected for PBV where the Housing Authority has an ownership interest, an independent entity approved by HUD must:</p> <p>Determine initial rent to owner based on an appraisal by a third party; Determine reasonable rent based on a comparability analysis for other than initial rents; Furnish a copy of the rent determination to the HUD field office; and Complete all HQS inspections and provide a copy of the HQS inspections to the Housing Authority and to the HUD field office.</p> <p>The Housing Authority shall only compensate the independent entity from ongoing administrative fee income. The Housing Authority shall not charge the family any fee for the appraisal or for other services provided by the independent entity.</p> <p>Upon HUD Approval of the Housing Authority's MTW Supplement, the Housing Authority will utilize a HUD waiver to:</p> <ol style="list-style-type: none">eliminate the independent third party review process in the award of PBV's to properties owned or controlled by the Housing Authorityeliminate the third party rent reasonableness process at properties that the Housing Authority owns, manages, or controls, such that rent reasonableness would be conducted by Housing Authority staff; and	
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Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications

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				2.1. eliminate third party inspections of properties owned, managed, or controlled by the Housing Authority such that inspections would be conducted by Housing Authority staff.	
6	XVII	34	Project Based Voucher Program	<p>8. <u>Waiting List and Tenant Selection</u> Upon approval of the Authority's MTW Supplement, The Housing Authority will allow moves from PBV units with an HCV after 12 months for all families who have come from the HCV waiting list. However, for families who did not come from the HCV waiting list (including households originating from a site-based waiting list or referral-based households), the Housing Authority will require households to reside in the PBV unit for 24 months before being eligible to transfer with an HCV. Exceptions may be made on a case-by-case basis for good cause.</p>	Implementation of MTW Waiver 9.d. Limit Portability for PBV Units
7	XVII	35	Project Based Voucher Program	<p><u>10. Rent Reasonableness Determination for PHA-Owned Units</u> Under MTW flexibilities, the Housing Authority may conduct Rent Reasonableness determinations for PHA-owned units. Regulations require that the Housing Authority ensures that the contract rent requested by is reasonable, meaning that the rent is not more than rent charged for comparable units in the private unassisted market or the rent is comparable to other assisted or unassisted units in the same premises. Comparable market rents are monitored by the Housing Authority and will be used to determine rent reasonableness. An approved rent to owner may not exceed the most recently determined, or re-determined, reasonable rent amount.</p>	Implementation of MTW Waiver 2.d Rent Reasonableness – Third Party Requirement
8	XVII	35	Project Based Voucher Program	<p><u>12. Housing Quality Inspections for PHA-Owned Units</u> Under MTW flexibilities, the Housing Authority may conduct all HUD-mandated HQS inspections on PHA-owned units, following existing procedures for non-PHA-owned units.</p>	Implementation of MTW Waiver 5.c.Housing Quality Standards – Third Party Requirement
9	XIX	35-36	Interim Redeterminations of Family Income and Composition	<p><u>Changes to Household Composition</u> If any household member moves out of the assisted unit, the household must inform the Housing Authority in writing within 14 calendar days of the move out. If the reduction in family members results in the number of bedrooms in the unit exceeding that which the family is eligible for, the Housing Authority</p>	Implementation of MTW Waiver 3.b. Alternative Reexamination

Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications

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				<p>will reduce the subsidy standard and reduce the <u>voucher size and adjust the payment standard accordingly at the family’s next annual-regular recertification or with at least 30 days notice of the change, or longer as established by Housing Authority procedures.</u></p> <p>When a family member is added, staff must first redetermine the family subsidy standard, using the new subsidy standards, without this new family member. Then staff will apply the following rules. Please note that “parent” refers to the birth or adoptive parent, and “child” refers to children by birth, court awarded custody, or (for minor children only) by foster placement. <u>The voucher size and payment standard will be updated accordingly.</u></p> <p><u>Changes in Household Income:</u> Families must notify the Housing Authority in writing within 14 days of a decrease in income. Decreases in Total Tenant Payment are to be made effective the first of the month after the change was reported and after the change has occurred. However, no decrease adjustment in TTP is to be processed until all facts have been verified.</p> <p>Families must notify the Housing Authority in writing within 14 days of an increase in income, and the Housing Authority may conduct an interim redetermination <u>at the family’s request</u>. This interim redetermination may serve as the family’s next annual reexamination. The sole exception to this is annual increases to fixed income sources like Social Security, which will be verified and processed at the next regular annual reexamination.</p>	Schedule for Households
10	XIX	37	Interim Redeterminations of Family Income and Composition	<p><u>Alternate Reexamination Schedule</u> Upon HUD Approval of the Housing Authority’s MTW Supplement, theThe Housing Authority will utilize a HUD waiver to conduct reexaminations for fixed-income families at least every three years and conduct reexaminations for all remaining families at least every two years <u>under MTW flexibility. Fixed Income means primary or sole source of income that comes from stable and fixed sources such as Social Security, Social Security Disability Insurance, employment pensions, Veterans Affairs benefits, or similar. No income families are not considered to be fixed income.</u></p>	Implementation of MTW Waiver 3.b. Alternative Reexamination Schedule for Households

Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications

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				<p><u>Households participating in programs that are not covered under MTW, will continue to receive recertifications annually.</u></p>	
11	XXV	39	Moving to Work – Local Non-Traditional Activities	<p><u>I. Moving to Work – Local Non-Traditional Activities</u></p> <p><u>As a Moving to Work (MTW) Agency, the Housing Authority has broad regulatory flexibility, including the ability to use federal HAP funds for Local Non-Traditional (LNT) activities.</u></p> <p><u>The Housing Authority intends to use MTW funding to acquire, renovate and/or build affordable units that are not public housing units. Eligible activities may include gap financing or construction costs for development of affordable housing, conducted by the PHA or a PHA-controlled affiliate or by a non-PHA affordable housing developer, including but not limited to development of project-based voucher units, tax credit units, or affordable units funded with any other local, state, or federal funds. Local, non-traditional development activities will be conducted in accordance with the applicable requirements of PIH Notice 2011-45 and the MTW Operations Notice and other approved HUD waivers as applicable to this activity.</u></p> <p><u>The first assisted project will be new construction of twenty (20) units of affordable housing located at 415 Natural Bridges Drive, Santa Cruz CA.</u></p>	<p>Implementation of MTW Waiver 17.c. Local, Non-Traditional Activities – Housing Development Programs</p>

ADMINISTRATIVE PLAN

Section 8 Housing Choice Voucher Program

Housing Authority of the County of Santa Cruz



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

~~July 1,~~ [August 16,](#) 2023

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

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

Selecting Applicants from the Waiting List

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

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

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

Upon the close-out of the Consolidated Annual Contributions Contract (CACC) with HUD for Low Income Public Housing, any remaining active applicants on the Low-Income Public Housing Waiting List will be contacted and provided with an opportunity to be added to the end of the Santa Cruz County Housing Choice Voucher Waiting List. Such applicants would receive preference for the former Public Housing units as units become available.

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

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

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

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

Exceptions for persons with disabilities: Exceptions will be granted for pre-applicants and applicants with disabilities, as defined in [24 CFR 5.403](#) who were not able to respond within the time frame due to their disability. Exceptions may also be granted for hospitalization of sufficient duration to be the cause of the lack of response.

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

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

Number of Waiting Lists

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

Medicaid Waiver

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

Site-Based Waiting Lists for Project Based Developments

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

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

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

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

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

1. Live/Work Residency Preference

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

2. Disabled and Medically Vulnerable Homeless Persons (DMV)

The Housing Authority has adopted a limited waiting list preference for disabled and medically vulnerable homeless persons. Housing Matters, using the Coordinated Entry System administered by the Continuum of Care (CoC), provides referrals for homeless persons who meet all of the following criteria:

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

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

3. Homeless Families with Minor Children

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

- a) Homeless as defined by HUD per the HEARTH Act in [Federal Register / Vol. 76, No. 233](#).
- b) Head of household or spouse lives or works in Santa Cruz County
- c) Head of household or spouse has at least one minor child residing with household

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

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

4. Vulnerable Homeless Persons in San Benito County

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

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

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

6. Disabled Transitioning from Institutions (DTI)

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

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

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

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

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

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

7. Mainstream Vouchers

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

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

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

The temporary Mainstream Voucher preference, established in 2021 for non-elderly persons with disabilities who were at high-risk of severe COVID-19 disease and were staying in time-limited shelters in Santa Cruz County, has been ended as all of those shelters have been closed.

8. Graduates of the Continuum of Care (CoC) Shelter Plus Care (S+C) Program and Family Unification Program (FUP) Youth in Project Based Voucher units.

The Housing Authority has been awarded competitive grants for permanent supportive housing for people experiencing chronic homelessness. A program known as Shelter Plus Care is a partnership between the Housing Authority and the County Health Services Agency to provide wrap-around services from outreach and eligibility to housing stabilizing services.

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

The Housing Authority provides a preference within the HCV voucher program for Family Unification Program Youth in Project Based Voucher units, wherein they may graduate into the

regular HCV voucher program when they have reached the maximum period of assistance under FUP and are in good standing with the program.

9. Admission of Low-Income Families

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

10. Temporary Measures during Periods of Low Utilization Rate

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

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

Targeting

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

Opening and Closing the Waiting list

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

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

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

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

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

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

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

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

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

Selecting Applicants for the Moderate Rehabilitation Program

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

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

1. All Housing Choice Vouchers are issued with an initial term of at least 60 days. One or more extensions of at least an additional 60 days will be considered.
- 2.

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

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

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

III. Special Purpose Programs

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

Veterans Assisted Supportive Housing / VASH (433 vouchers)

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

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

Upon HUD approval, the Housing Authority will operate HUD-VASH in accordance with [Moving to Work \(MT+W\)](#) administrative flexibilities that are not otherwise in conflict with the HUD-VASH Operating Requirements.

Family Unification Program / FUP (218 vouchers)

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

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

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

1. FUP youth who are participating in a Family Self-Sufficiency (FSS) Program under Section 23 of the U.S. Housing Act or an MTW self-sufficiency program.
 - a) If the youth is offered an FSS slot during their first 36 months of FUP assistance, the youth must participate in the FSS program to receive an extension of assistance.
 - b) If the youth is offered an FSS slot after the 36-month mark, the youth may choose to accept the FSS slot or decline the slot and meet the education, workforce development, or employment requirement instead.
2. FUP youth who were unable to enroll in FSS but engaged in education, workforce development, or employment, or employment activities for at least 9 months of the 12-month period preceding the extension. The youth is considered unable to enroll in FSS if the youth has not been offered an FSS slot during the first 36 months of receiving FUP/FYI assistance.
 - a) The youth must have engaged in at least one of the following activities for not less than 9 months of the 12-month period preceding each extension.
 - i. Education:
 1. The youth was engaged in obtaining a “recognized postsecondary credential” or a “secondary school diploma or its recognized equivalent;” or
 2. The youth was enrolled in an “institution of higher education” a “proprietary institution of higher education,” or a “postsecondary vocational institution” as defined in the Higher Education Act.
 - ii. Workforce Development: The youth was participating in a career pathway, as such term is defined in section 3 of the Workforce Innovation and Opportunity Act (WIOA).
 - iii. Employment: The youth was employed.
3. FUP youth who meet one of the statutory exceptions:
 - a) Are responsible for the care of a dependent child under the age of 6 or for the care of an incapacitated person;
 - b) Are regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program; or
 - c) Are incapable of complying with the requirement to participate in an FSS program or engage in education, workforce development, or employment activities, as applicable, due to a documented medical condition.

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

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

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

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

All FUP families and youth will be offered the opportunity to join the Family Self Sufficiency program.

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

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

Issuance as a Reasonable Accommodation

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

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

Disabled Vouchers (138 vouchers)

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

Medicaid Waiver Program (27 vouchers)

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

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

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

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

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

Medicaid Waiver vouchers are issued based on placement on the Medicaid Waiver waiting list. Eligible referrals are provided by social service agencies with a current MOU with the Housing Authority to provide referrals and services. Those referrals produce the Medicaid Waiver waiting list.

Welfare to Work Program (24 vouchers) (WtW)

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

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

The Housing Authority will be responsible wholly or in part for

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

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

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

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

Emergency Housing Vouchers (EHV) (280 Vouchers)

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

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

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

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

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

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

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

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

IV. Occupancy Policies

Definition of a Family

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

Each family contains a head of household, who must be at least eighteen years old, or if under 18, they must be an emancipated minor. Additionally, each family member must reside in the assisted unit at least 51% of the time (at least 184 days out of the year). Children who are temporarily away from the home because of placement in foster care and military servicepersons on active-duty are considered part of the family if they would otherwise be living in the assisted unit. However, they will not be considered for the purposes of determining voucher size while they are out of the unit. Households with children who have been placed in foster care will keep their voucher size for at least 12 months after the child is removed, [but may be removed from the household at the next regular re-examination following the 12 month period, or after being provided at least 120 days notice following the 12 month period.](#) ~~However, at the annual review following 12 months after removal (the second annual reexamination after removal) the household will be downsized.~~ When the child returns from foster placement, the household will be upsized at the interim and the payment standard will be updated at that time. The household will not be required to wait until their next ~~annual~~ re-examination to be upsized or to have their payment standard updated.

Households with military servicepersons on active duty will be downsized at the first transfer or ~~annual review~~ [regular re-examination](#) following the departure of the serviceperson [or after being provided at least 120 days notice following the departure of the serviceperson](#). When military servicepersons on active-duty return, the household will be upsized, and the payment standard will be updated at the interim. The household will not be required to wait until their next ~~annual~~ re-examination to be upsized or to have their payment standard updated.

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

Definition of a Temporary Family Member

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

Temporary Family Members Who Move in and out of the Unit

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

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

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

Definition of a Guest

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

Definition of When a Family Is Continuously Assisted

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

Standards for Denying Admission or Terminating Assistance

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

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

16. The Housing Authority will deny admission for applicants that do not meet the current applicable HUD eligibility requirements.

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

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

V. Encouraging Participation by Owners Outside Areas of Low-Income and Minority Concentration

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

Specific steps include the following:

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

Actions to explain program requirements including equal opportunity to owners

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

Property Agent Incentive Programs

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

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

VI. Assisting a Family That Claims Illegal Discrimination

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

Specific steps include the following:

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

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

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

VII. Providing Information about a Family to Prospective Owners

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

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

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

VIII. Disapproval of Owners

The Housing Authority may disapprove a prospective owner for violation of a HAP contract; violation of housing quality standards; or fraud, bribery, or corruption in connection with one of the Housing

Authority programs. If a jurisdiction reports to the Housing Authority that an owner has a history of renting units that fail to meet state or local housing codes, the Housing Authority may disapprove an owner for that reason. The Housing Authority may also disapprove an owner for other reasons as allowed by HUD regulation.

IX. Subsidy Standards

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

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

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

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

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

10	5
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A family with a head of household and NO spouse or registered domestic partner or significant other/domestic partner will be allocated the following:

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

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

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

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

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

6. All adult family members of the live-in aide must sign an agreement confirming that they understand they are not a member of the assisted family.

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

Applicant Flexibility on Unit Size Actually Selected for Rental

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

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

X. Family Absence from Dwelling Units

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

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

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

Persons who may NOT receive the voucher

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

Persons who may receive the voucher

1. In the event of family break up, the voucher will automatically go to the head of household's spouse or registered domestic partner if applicable.
2. If the head of household does not have an eligible spouse or registered domestic partner, the Housing Authority has the discretion to determine whether or not any remaining household members may receive the voucher. The Housing Authority may consider the following factors:
 - a) Whether or not the remaining family member is elderly or disabled
 - b) Whether or not the remaining family member has legal dependents that are living in the assisted unit
 - c) Whether or not a family member has been a victim of actual or threatened violence against family members by another member of the household
 - d) Whether or not the remaining family member is employed
 - e) Other relevant factors as determined by the Housing Authority on a case-by-case basis
3. If the family member who receives the voucher and becomes the head of household was also on the waiting list, the Housing Authority shall remove their name from the waiting list.

XII. Informal Review Procedures for Applicants

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

Notice to Applicant

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

Informal Review Process

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

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

When Informal Review Is Not Required

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

1. Discretionary administrative determinations by the Housing Authority.
2. General policy issues or class grievances.
3. A determination of the family unit size under the Housing Authority subsidy standards.

4. A Housing Authority determination not to approve an extension or suspension of a voucher term.
5. A Housing Authority determination not to grant approval of the tenancy.
6. A Housing Authority determination that a unit selected by the applicant is not in compliance with HQS.
7. A Housing Authority determination that the unit is not in accordance with HQS because of the family size or composition.

XIII. Informal Hearing Procedures for Participants

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

When Hearing Is Required

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

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

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

When Hearing Is Not Required

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

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

7. Housing Authority determination that the unit is not in accordance with HQS because of the family size.
8. Housing Authority determination to exercise or not to exercise any right or remedy against the owner under a HAP contract.

Expeditious Hearing Process

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

Discovery

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

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

Representation of Family, Recording of Hearing

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

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

Hearing Officer

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

Evidence

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

Issuance of Decision

The person who conducts the hearing must issue a written decision, briefly stating the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on

a preponderance of the evidence presented at the hearing. A copy of the hearing decision shall be furnished promptly to the family.

Effect of Decision

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

1. Concerning a matter for which the Housing Authority is not required to provide an opportunity for an informal hearing under this section, or that otherwise exceeds the authority of the person conducting the hearing.
2. Contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.

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

XIV. The Process for Establishing and Revising Payment Standards

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

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

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

Under MTW authority approved by HUD, ~~Upon HUD Approval of the Housing Authority's MTW Supplement, the Housing Authority may utilize~~s payment standards that fall between 80%-120% FMR.

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

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

1. at the time of initial leasing,
2. if there is any increase in the rent to owner,

3. at the HAP contract anniversary if there is a 10% decrease in the FMR in effect 60 days before the HAP contract anniversary, and
4. if directed by HUD.

Reasonable rent is determined using information produced by Affordable Housing.com, a national rent reasonableness system, via the AffordableHousing.Com database. The AffordableHousing.com database meets HUD regulatory requirements for rent comparisons based on comparable unassisted units, including information about each unit's location, size, type, age, quality/condition, utilities, maintenance (including special services) and amenities.

XVI. Policies Regarding Special Housing Types

Shared Housing in the Housing Choice Voucher Program

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

Shared Housing in the Project Based Voucher Program

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

Eligibility for Shared Housing

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

Subsidy Standards

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

Additional Limitations for Shared Housing

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

4. Shared Housing is not intended to allow assisted families to live with household members that they would normally live with, while avoiding counting the other household member(s) income.

Utilities

1. The amount of the Utility Allowance for an assisted individual in Shared Housing is the individual's pro rata portion of the Utility Allowance for the entire unit.
2. Individuals enter Shared Housing arrangements on a voluntary basis and agreements on splitting tenant paid utilities and utility deposits are part of that voluntary, private agreement between or among the individuals occupying the unit. Therefore, it is not mandatory that tenants agree to pay utilities based on the same proration formula the Housing Authority uses.
3. Although, in units with tenant paid utilities, utility payments are made by the tenant and not by the owner, the owner is free to ascertain, before leasing to sharing individuals, that the individuals have reached agreements in splitting tenant paid utilities and utility deposits, with full awareness of the amount of the Housing Authority determined utility allowance for each assisted tenant.

Other Special Housing Types

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

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

Section 8 Homeownership Program

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

Family Participation Requirements

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

Housing Counseling

1. Pre-homeownership counseling is mandatory for all participants in the Homeownership program and will include those items required by regulation. ([24CFR 982.630](#))

2. If a family purchases a home using Section 8 homeownership assistance and later sells that home to purchase another, the pre-homeownership counseling requirements will not be imposed again for the second purchase.

Capacity Test

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

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

Locating a Unit

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

Down Payment and Financing

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

9. Assistant payments will be made directly to the purchaser or lender, depending on the lender's requirements.

Continuation of Assistance

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

[XVII. Project Based Voucher Program](#)

The Project-Based Voucher (PBV) program is a rental assistance program where the assistance is attached to the unit rather than to the family occupying the unit. The PBV program allows PHAs that already administer a tenant-based voucher program to use a limited number of its program authorized vouchers and attach funding to specific units rather than using it for tenant-based assistance. [Under MTW authority, the Housing Authority has a Program Cap of 50% of ACC or total budget authority.](#)

1. Project Definition

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

2. Project-Basing Special Voucher Types

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

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

The Housing Authority, [under MTW flexibilities, may project-base up to 100% of the units at a project. The scoring criteria established by the Board of Commissioners determines how many PBV units a particular project may be eligible for. More information about these requirements can be found in the PBV Application and PBV Request for Proposals \(RFP\) Evaluation and Scoring Criteria, available on the Housing Authority's webpage.](#) ~~—follows HUD's Income-Mixing (Project Cap) requirements.— Unless units are designated as Excepted Units per HUD regulations, the limitation on the number of PBVs in a project is the greater of twenty-five (25) units or twenty-five percent (25%) of the units in a project.~~

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

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

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

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

~~4. Services offered in PBV Supportive Services Excepted Units~~

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

~~5.4. Small Area Fair Market Rents for Project Based Voucher Programs~~

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

~~6.5. Open Request for PBV Proposal~~

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

~~7.6. Conflict of Interest~~

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

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

~~Any member of the classes described in (a) through (d) of this section must disclose their interest or prospective interest to the Housing Authority when responding to the RFP for project-based vouchers.~~

In some cases, the PHA may request a waiver from HUD to consider allowing such a conflict. The conflict-of-interest must be disclosed to HUD, and the prohibition under this section may only be waived by the HUD field office for good cause.

8.7. Project-Based Voucher Selection

a) Standard Competitive PBV Selection Process

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

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

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

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

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

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

b) Non-Competitive PBV Selection Process

i) The Housing Authority may provide PBV assistance to a project in which the Housing Authority has an ownership interest or over which the Housing Authority has control, without using a competitive process, but only in cases in which the Housing Authority is engaged in an initiative to improve, develop, or replace a public housing property or site, and when the Housing Authority describes what it means to substantially comply with HUD's housing quality standards.

The unit will "substantially comply" if the unit has passed an HQS inspection within the past 24 months, or if at least 50% of the units at the project have no life-threatening fail items.-

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

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

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

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

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

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

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

~~Upon HUD Approval of the Housing Authority's MTW Supplement, the Housing Authority will utilize a HUD waiver to:~~

~~eliminate the independent third-party review process in the award of PBV's to properties owned or controlled by the Housing Authority~~

~~1. eliminate the third-party rent reasonableness process at properties that the Housing Authority owns, manages, or controls, such that rent reasonableness would be conducted by Housing Authority staff; and~~

~~2. eliminate third-party inspections of properties owned, managed, or controlled by the Housing Authority such that inspections would be conducted by Housing Authority staff.~~

9.8. Waiting List and Tenant Selection

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

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

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

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

10.9. Overcrowded, Under Occupied and Accessible Units

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

a) Another PBV unit in the same building or another building

b) A tenant-based voucher

10. Rent Reasonableness Determination for PHA-Owned Units

Under MTW flexibilities, the Housing Authority may conduct Rent Reasonableness determinations for PHA-owned units. Regulations require that the Housing Authority ensures that the contract rent requested by is reasonable, meaning that the rent is not more than rent charged for comparable units in the private unassisted market or the rent is comparable to other assisted or unassisted units in the same premises. Comparable market rents are monitored by the Housing Authority and will be used to determine rent reasonableness. An approved rent to owner may not exceed the most recently determined, or re-determined, reasonable rent amount.

11. Rent Redetermination

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

12. Housing Quality Inspections for PHA-Owned Units

Under MTW flexibilities, the Housing Authority may conduct all HUD-mandated HQS inspections on PHA-owned units, following existing procedures for non-PHA-owned units.

XVIII. Payment by a Family to the Housing Authority

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

XIX. Interim Redeterminations of Family Income and Composition

When the Housing Authority receives written information concerning a change in the family's income or household composition between regularly scheduled reexaminations, the Housing Authority will consult with the family and make any adjustments determined to be appropriate. Any change in the family income or household composition that results in an adjustment in the Total Tenant Payment, Tenant Rent and HAP must be verified.

Changes to the Head of Household

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

Changes to Household Composition

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

accordingly at the family's next ~~annual~~-regular recertification or with at least 30 days notice of the change, or longer as established by Housing Authority procedures.

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

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

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

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

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

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

Changes in Household Income:

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

Families must notify the Housing Authority in writing within 14 days of an increase in income, and the Housing Authority may conduct an interim redetermination at the family's request. This interim redetermination may serve as the family's next annual reexamination. The sole exception to this is annual

increases to fixed income sources like Social Security, which will be verified and processed at the next regular annual reexamination.

Alternate Reexamination Schedule

~~Upon HUD Approval of the Housing Authority's MTW Supplement, the~~ The Housing Authority will ~~utilize a HUD waiver to~~ conduct reexaminations for fixed-income families at least every three years and conduct reexaminations for all remaining families at least every two years under MTW flexibility. Fixed Income means primary or sole source of income that comes from stable and fixed sources such as Social Security, Social Security Disability Insurance, employment pensions, Veterans Affairs benefits, or similar. No income families are not considered to be fixed income.

Households participating in programs that are not covered under MTW, will continue to receive recertifications annually.

In between reexaminations, the HACSC will conduct interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events will include decreases in income, increases in income (when requested by the household), changes in household composition, and changes to the contract rent. When interim adjustments are conducted, HACSC may apply payment standards and utility allowances in effect at the time of the effective date of the adjustment. HACSC will reserve the right to conduct reexaminations more frequently either for administrative or financial reasons. Additional details regarding the implementation of alternate reexamination schedules, qualifying events for interim adjustments and application of new payment standards will be available on the Housing Authority website and will be communicated to all impacted tenants at the time of their certification.

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

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

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

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

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

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

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

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

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

The following items will be considered life-threatening fails in Housing Quality Standards inspections:

1. Gas (natural or liquid petroleum) leak or fumes
2. Electrical hazards that could result in shock or fire
3. Inoperable or missing smoke detectors
4. Inoperable or missing carbon monoxide detectors
5. Gas/oil fired water heater or heating, ventilation, or cooling system with missing, damaged, improper, or misaligned chimney or venting
6. Lack of alternative means of exit in case of fire or blocked egress
7. Conditions that present the imminent possibility of injury
8. Absence of a functioning toilet in the unit

Life-threatening fails must be corrected within twenty-four hours. Life-threatening fails will be reported immediately to the tenant, landlord, and Housing Authority management.

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

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

XXIV. Voucher Suspension Policy

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

Prior to delaying or suspending the assistance of any applicants or participants (families under contract), the Housing Authority will first take any and all administrative steps available to remedy the situation.

If the Housing Authority determines that there is insufficient funding to enter into additional HAP contracts, and / or insufficient funding for the HAP contracts that are already in place, the Housing Authority will suspend vouchers in the following way.

1. Applicants who have been issued general purpose vouchers but have not yet leased a unit will have their vouchers suspended until such time as funding becomes available.
2. If funding is still insufficient, applicants who have been issued a special purpose voucher but have not yet leased a unit will have their vouchers suspended until such time as funding becomes available.
3. If funding is still insufficient, the Housing Authority will freeze voucher transfer requests of participants.
4. If funding is still insufficient, the Housing Authority will suspend the contracts of existing, general purpose, program participants beginning with the families most recently admitted to the program.
5. If funding is still insufficient, special purpose voucher holders who are under contract would be the last voucher holders to suspend, beginning with families most recently admitted to the program.

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

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

[XXV. Moving to Work – Local Non-Traditional Activities](#)

[As a Moving to Work \(MTW\) Agency, the Housing Authority has broad regulatory flexibility, including the ability to use federal HAP funds for Local Non-Traditional \(LNT\) activities.](#)

[The Housing Authority intends to use MTW funding to acquire, renovate and/or build affordable units that are not public housing units. Eligible activities may include gap financing or construction costs for development of affordable housing, conducted by the PHA or a PHA-controlled affiliate or by a non-PHA affordable housing developer, including but not limited to development of project-based voucher units, tax credit units, or affordable units funded with any other local, state, or federal funds. Local, non-traditional development activities will be conducted in accordance with the applicable requirements of PIH Notice 2011-45 and the MTW Operations Notice and other approved HUD waivers as applicable to this activity.](#)

[The first assisted project will be new construction of twenty \(20\) units of affordable housing located at 415 Natural Bridges Drive, Santa Cruz CA.](#)

AGENDA ITEM SUMMARY

MEETING DATE: August 16, 2023

ITEM NUMBER: 3G

FROM: Executive Director

SUBJECT: Agency Share of Health, Dental, and Vision Insurance Premiums for CY2024

RECOMMENDATION: Approve Staff Recommendation for Changes to the Agency's Health, Dental, and Vision Insurance Contribution Levels.

BACKGROUND SUMMARY:

The Housing Authority's health insurance plans for staff are provided through CalPERS. CalPERS announces the rates for each of the health insurance plans for the coming calendar year prior to the open enrollment period which begins in September. The open enrollment period allows for staff to modify their health plan selections without being limited to a "qualifying event." The agency contributes towards the cost of the health insurance plans offered through CalPERS as part of the total compensation package provided to staff. Management assesses the extent to which the cost of the health insurance premiums is shared between employer and employee on an annual basis once the new rates are announced. It is ideal for this cost-sharing structure to be re-benchmarked prior to the open enrollment period to ensure staff can make informed decisions on their health plan selection for the coming year.

The premiums for the CalPERS health insurance plans in our region are set to increase between 0.89% and 11.8% depending on the plan. Over half of all participating staff are enrolled in the Kaiser Permanente plan which will experience a premium increase of 11.8%. This translates into an increase in the monthly employee share of \$108, \$216, and \$280 for single, two party, and family coverage, respectively. Management proposes to increase the agency's contribution towards health insurance by these same amounts in order to offset the cost of the premium increases to staff. Under this proposal effective 1/1/2024, the agency's monthly health insurance contribution levels would be: \$869 (Single), \$1,737 (Two Party), \$2,256 (Family), and \$754 (Cash in Lieu for employees who are covered by their spouse's insurance). A summary of the current employee share of premiums and the proposed share of premiums for the coming year are shown in the attached table along with a summary of the proposed changes to the agency contribution level.

The Housing Authority's dental and vision insurance plans are contracted privately through a broker. The broker obtains quotes from insurers on an annual basis and assists in the selection of dental and vision plans with the best value. The Housing Authority covers the full dental premium for single party coverage and 80% of the additional premium for Employee & Spouse, Employee & Child(ren), and Family dental plan coverage. For vision insurance, the Housing Authority contributes a fixed amount equal to the entire cost of the single party vision plan coverage. Our broker estimates dental insurance premiums will increase between 5-10% and vision insurance premiums will increase around 5%.

The estimated cost to implement these changes is \$124,000 on an annual basis with a \$62,000 impact in the

current FY2023-24 budget year.

RECOMMENDATION:

Approve Staff Recommendation for Changes to the Agency's Health, Dental, and Vision Insurance Contribution Levels.

Health Plan	2023 Health Plan Monthly Premiums	2024 Health Plan Monthly Premiums	Increase in Monthly Premium 2023 to 2024	2023 Employee Share of Monthly Premium	2024 Employee Share of Monthly Premium	Change in Employee Share of Premium
Single						
PERS Select/Gold (PPO)	825.61	914.82	89.21	64.61	45.82	(18.79)
UnitedHealthcare Harmony (HMO)	N/A	937.39	N/A	N/A	68.39	N/A
Blue Shield Trio (HMO)	888.94	946.84	57.90	127.94	77.84	(50.10)
Kaiser Permanente (HMO)	913.74	1,021.41	107.67	152.74	152.41	(0.33)
Blue Shield Access+ (HMO)	1,035.21	1,076.84	41.63	274.21	207.84	(66.37)
UnitedHealthcare Alliance (HMO)	1,044.07	1,091.13	47.06	283.07	222.13	(60.94)
Anthem Select (HMO)	1,128.83	1,138.86	10.03	367.83	269.86	(97.97)
PERS Choice/Platinum (PPO)	1,200.12	1,314.27	114.15	439.12	445.27	6.15
Anthem EPO Del Norte (PPO)	1,200.12	1,314.27	114.15	439.12	445.27	6.15
Anthem Traditional (HMO)	1,210.71	1,339.70	128.99	449.71	470.70	20.99
2 Party						
PERS Select/Gold (PPO)	1,651.22	1,829.64	178.42	130.22	92.64	(37.58)
UnitedHealthcare Harmony (HMO)	N/A	1,874.78	N/A	N/A	137.78	N/A
Blue Shield Trio (HMO)	1,777.88	1,893.68	115.80	256.88	156.68	(100.20)
Kaiser Permanente (HMO)	1,827.48	2,042.82	215.34	306.48	305.82	(0.66)
Blue Shield Access+ (HMO)	2,070.42	2,153.68	83.26	549.42	416.68	(132.74)
UnitedHealthcare Alliance (HMO)	2,088.14	2,182.26	94.12	567.14	445.26	(121.88)
Anthem Select (HMO)	2,257.66	2,277.72	20.06	736.66	540.72	(195.94)
PERS Choice/Platinum (PPO)	2,400.24	2,628.54	228.30	879.24	891.54	12.30
Anthem EPO Del Norte (PPO)	2,400.24	2,628.54	228.30	879.24	891.54	12.30
Anthem Traditional (HMO)	2,421.42	2,679.40	257.98	900.42	942.40	41.98
Family						
PERS Select/Gold (PPO)	2,146.59	2,378.53	231.94	170.59	122.53	(48.06)
UnitedHealthcare Harmony (HMO)	N/A	2,437.21	N/A	N/A	181.21	N/A
Blue Shield Trio (HMO)	2,311.24	2,461.78	150.54	335.24	205.78	(129.46)
Kaiser Permanente (HMO)	2,375.72	2,655.67	279.95	399.72	399.67	(0.05)
Blue Shield Access+ (HMO)	2,691.55	2,799.78	108.23	715.55	543.78	(171.77)
UnitedHealthcare Alliance (HMO)	2,714.58	2,836.94	122.36	738.58	580.94	(157.64)
Anthem Select (HMO)	2,934.96	2,961.04	26.08	958.96	705.04	(253.92)
PERS Choice/Platinum (PPO)	3,120.31	3,417.10	296.79	1,144.31	1,161.10	16.79
Anthem EPO Del Norte (PPO)	3,120.31	3,417.10	296.79	1,144.31	1,161.10	16.79
Anthem Traditional (HMO)	3,147.85	3,483.22	335.37	1,171.85	1,227.22	55.37

HA Monthly Contribution	2023	2024	Increase
Single	Up to \$761	Up to \$869	\$108
2 Party	Up to \$1,521	Up to \$1,737	\$216
Family	Up to \$1,976	Up to \$2,256	\$280
Cash in Lieu	\$646	\$754	\$108

AGENDA ITEM SUMMARY

MEETING DATE: August 16, 2023

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Election of Officers

RECOMMENDATION: The Board of Commissioners of the Housing Authority of the County of Santa Cruz to Elect their Chairperson and Vice-Chairperson

BACKGROUND SUMMARY:

Each August, the Board of Commissioners elects or re-elects a Chairperson and Vice-Chairperson for the next twelve months. There is no term limit for Board Officers.

RECOMMENDATION: The Board of Commissioners of the Housing Authority of the County of Santa Cruz to Elect their Chairperson and Vice-Chairperson

AGENDA ITEM SUMMARY

MEETING DATE: August 16, 2023

ITEM NUMBER: 6B

FROM: Executive Director

SUBJECT: Amendment to MTW Supplement

RECOMMENDATION: Approve the Amendment to the MTW Supplement to Include a Waiver Request to Establish Alternative Reasonable Cost Limits

BACKGROUND SUMMARY:

The Housing Authority prepared an amendment to our Moving to Work (MTW) Supplement to request an agency specific waiver to adopt an alternative reasonable cost formula to include Hard Construction Costs (HCC) and Total Development Costs (TDC) for development and construction activities under the local non-traditional activities (LNT). This waiver, if approved by HUD, will enable the Housing Authority to provide sufficient financial support through MTW funds to address the high costs of land, materials, and labor in the County of Santa Cruz to construct affordable housing projects.

HUD publishes annual HCC / TDC limits in accordance with 24 CFR 941.306, Maximum Project Cost, to establish limits on the amount of program funds that can be allocated on a per unit basis towards a construction project. HUD regulations and guidance on HCC / TDC primarily applies to construction projects funded through HOPE VI and the Capital Fund Program (Low Income Public Housing), however, HUD adopted these limits for the MTW program to contain costs under LNT waivers. Notice PIH 2011-45, Subject: Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program, Section D, Limitation on the Use of MTW Funds for Development states:

Projects must be within the HUD Total Development Cost and Housing Cost Cap Limits imposed on the development of affordable units in a project or within a PHA's alternative cost formula for development and redevelopment activities, if approved by HUD.

HUD's Operation Notice for the Expansion of the Moving to Work Demonstration Program, establishes the requirements for the implementation and continued operation of the MTW program which includes the provisions an MTW agency may request regulator waivers. The Operation Notice identifies certain restrictions on safe harbor and agency waivers that are not waivable to MTW expansion agencies. Appendix 1, Part 17.c. Housing Development Programs notes that MTW agencies are subject to Notice PIH 2011-45 or any successor notice and/or guidance. Staff interpret this restriction to mean that a waiver request must comply with Notice PIH 2011-45, in that a construction project must have HCC / TDC however, a MTW expansion agency may request

a waiver to establish alternative reasonable cost limits based on local market conditions to fund affordable housing construction and development projects.

HUD Applicable HCC / TDC Limits

Table 1. below outlines the applicable HUD 2022 HCC / TDC limits for the County of Santa Cruz for a walkup building. These figures outline the current amount of MTW funds that the Housing Authority can allocate to an affordable housing development project under LNT waiver. Due to market conditions such as cost of land, materials, and labor, the HUD HCC / TDC limits support a fraction of the development costs in a high-cost market such as the County of Santa Cruz. The per unit cost for Natural Bridges development project is \$535,079. HUD TDC limits allow the use of LNT MTW funds to support approximately 34% of the development costs for Natural Bridges. In comparison to our proposed alternative cost limits as outlined in Table 3. the Housing Authority will be able to use LNT MTW funds to support approximately 96% of the development costs for Natural Bridges.

Table 1. HUD 2022 HCC/TDC Limits for Santa Cruz (Walkup Building)									
0 Bedroom (500 sq. ft.)		1 Bedroom (700 sq. ft.)		2 Bedroom (900 sq. ft.)		3 Bedroom (1200 sq. ft.)		4 Bedroom (1500 sq. ft.)	
HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)
102,964	180,188	140,812	246,422	178,612	312,570	235,731	412,530	292,397	511,696

Proposed Alternative Reasonable Cost Limits

To develop alternative reasonable cost limits, staff analyzed Project Based Voucher (PBV) projects that were awarded vouchers through the Housing Authority and went through a subsidy layering review process in March 2022 or later. The analysis consisted of seven development projects.

The TDC was calculated by using the eligible basis, plus the land cost/land value and any applicable demolition costs. The HCC figures were calculated from all the hard construction costs, less demolition. For non-Tax Credit projects, the HCC and TDC were based on information on the form HUD-50156. The TDC was calculated as the Total Uses in the Construction Budget, less miscellaneous expenses that would not normally be included in a Tax Credit eligible basis, such as marketing, title and recording, and organizational costs. The HCC was calculated as the Development Construction Costs in the Construction Budget, less demolition and relocation costs.

The HCC and TDC for each project were then divided by the gross building square footage to determine that project's cost per square foot. From these quotients, the 75th percentile was calculated and an inflation factor of 15% was applied.

The 75th percentile of all the costs per square foot was used to account for differences in SLR submission projections and for the differences in economies of scale. For SLR submissions that use the HUD-50156, the projected costs are relatively recent, while projections from the Tax Credit applications were typically prepared a substantial amount of time prior to the SLR.

Staff based its HCC and TDC figures primarily on developments leveraging Tax Credits, therefore, the projected costs per square foot were considerably lower than more timely projections found in the HUD-50156. Finally, a 15% inflation factor was added to adjust for the quickly changing market, including both rising interest rates and the general cost of goods and services.

To determine the proposed reasonable cost limits, staff multiplied the inflation-adjusted 75th percentile cost per square foot by the unit square footage indicated in the HUD HCC/TDC limit chart. The inflation-adjusted 75th percentile cost per square foot is presented below in Table 2.

Table 2. HACSC Inflation-Adjusted 75th Percentile Cost per Square Foot	
HCC	TDC
\$773.07	\$1,025.20

Table 3. presents the proposed alternative cost limits to be requested through the amendment to the MTW Supplement. These figures were calculated based on the methodology outlined above.

Table 3. HACSC Reasonable Cost Limits for MTW Funds (Proposed for Both Walkup & Elevator)									
0 Bedroom (500 sq. ft.)		1 Bedroom (700 sq. ft.)		2 Bedroom (900 sq. ft.)		3 Bedroom (1200 sq. ft.)		4 Bedroom (1500 sq. ft.)	
HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)
386,533	512,602	541,147	717,643	695,760	922,683	927,680	1,230,244	1,159,600	1,537,806

Set-Aside Request

The Housing Authority submitted a request to HUD under Notice PIH 2023-07 for a funding adjustment under Category 3b – MTW New Cohorts. A confluence of factors which includes our designation as an MTW agency, HUD approval of our MTW Supplement, and the Natural Bridges project presented a serendipitous position in which the Housing Authority met application requirements for set-aside funding to support the development costs for the Natural Bridges project. If the set aside funding request is approved the Housing Authority may receive up to \$7.8M in funding. However, the use of these funds are subject to the HUD 2022 HCC / TDC limits presented in Table 1. and without approval of an MTW waiver to establish alternative reasonable cost limits, the Housing Authority may have to forfeit the portion of funding that exceeds the HUD 2022 HCC / TDC limits for the Natural Bridges project.

The Housing Authority waiver request will optimize the award of set aside funding for the Natural Bridges projects, but there are also exponential benefits in that our eligible use of set aside funding will increase our baseline funding formula for subsequent years. This means the Housing Authority will receive an increase in our overall annual funding year-over-year and that these may be used

for future development projects. Furthermore, these funds are subject to an inflation factor and subsequent funding will be adjusted based on the HUD inflation factor.

Per the MTW Operations Notice and other MTW requirements, the Housing Authority must not spend more than 10% of its HAP budget on LNT activities, and families receiving housing or services through LNT activities must meet the definition of low-income. These requirements will remain in effect even if HUD approves our request for set-aside funding and to establish alternative reasonable cost limits.

The Housing Authority expects a decision from HUD by October 2023, as to whether our application for set aside funds is approved.

Public Review Period and Public Hearing

Submission of an MTW Supplement, annual or amendment, requires the Housing Authority to conduct a 45-day public review period. The public review period commenced on July 3, 2023, and will conclude on August 16, 2023, at 11:00 am which will coincide with the public hearing. As of the date of this report, staff have not received any public comments on the proposed amendment to the MTW Supplement. The submission of the Amendment to the Annual MTW Supplement will include execution of Resolution No. 2023-07 and execution of the MTW Certification of Compliance with the Annual PHA Plan.

The inclusion of this waiver request is the only substantial change made to our annual MTW Supplement, which was submitted to HUD on April 5, 2023, and HUD provided conditional approval on June 14, 2023. The Housing Authority provided responses to HUD comments related to four waiver requests which are pending final approval from HUD. The Housing Authority does not expect the submission of an amendment to the MTW Supplement to have any impact on HUD approving the outstanding waiver requests associated with the annual MTW Supplement.

RECOMMENDATION: Approve the Amendment to the MTW Supplement to Include a Waiver Request to Establish Alternative Reasonable Cost Limits

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

PHA Name : Housing Authority Of The County Of Santa Cruz

PHA Code : CA072

MTW Supplement for PHA Fiscal Year Beginning : (MM/DD/YYYY): 7/1/2023

PHA Program Type: Combined

MTW Cohort Number: Asset Building

MTW Supplement Submission Type: Amendment to the Annual Submission

B. MTW Supplement Narrative.

The Housing Authority of the County of Santa Cruz (HACSC) is pleased to submit this Fiscal Year (FY) 2024 Moving to Work (MTW) Supplement component of the Annual PHA Plan. HUD designated HACSC as an MTW Agency in September 2022, through the MTW Asset Building Cohort, to test asset building initiatives to encourage growth of savings accounts and/or aim to build credit for assisted households. HACSC's MTW Plan and Application selected the HUD defined "Opt-Out Savings Account" as the initial MTW asset building activity. HACSC looks forward to working with HUD and the evaluation team to develop and implement asset building activities and to better understand perspectives and experiences of assisted households participating in the "Opt-Out Savings Account" initiative through the program evaluation process. Additionally, HACSC will actively participate in the "Community of Practice" with HUD, the evaluation team, and other MTW agencies in the Asset Building Cohort to further develop and implement best practices related to asset building.

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

Economic Mobility: Implementation of the Opt-Out Savings Account initiative will be the focal point of HACSC initial economic mobility efforts. HACSC plans to use the Opt-Out Savings Account program as the baseline for future economic mobility programs. This initiative will assist HACSC to build and expand upon a network of partnerships with service providers, financial service institutions, and other community-based organizations to promote economic mobility. Other activities to support economic mobility include administrative changes to the Housing Choice Voucher program such as alternative income inclusions / exclusions, alternative reexamination schedule, and extension of zero HAP participation from 180 to 360 days. HACSC anticipates these initiatives will reduce or eliminate regressive aspects of the program and will encourage assisted households to seek employment opportunities, increased wages, and build assets.

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

Housing Choice: HACSC's approach to improving housing choice includes providing housing stability to program participants that are already housed through waivers such as alternative income inclusions / exclusions, alternative reexamination schedule, and Moving On policies to align tenant rent and utility payments between partner agencies. The strategy to promote housing choice and to increase the supply of affordable housing will be achieved by increasing the PBV program cap and PBV project cap. The ability to expand the PBV program will provide new housing opportunities to program participants and will support the development of new units within our community. [Additionally, housing choice will be expanded through implementation of an Agency Specific Waiver to adopt an alternative reasonable cost formula to include Hard Construction Cost \(HCD\) and Total Development Cost \(TDC\) for development and construction activities under the local non-traditional activities.](#)

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

Under the MTW Operations Notice, the Housing Authority of the County of Santa Cruz is authorized to flexibly and interchangeably utilize Public Housing Operating Fund, Capital Fund Program and certain Housing Assistance Payments funds for any purpose authorized under Sections 8 and 9 of the US Housing Act of 1937 and for local, non-traditional activities. The agency may utilize this flexibility over the fiscal year to support activities described in the Annual Plan in accordance with the requirements of the Operations Notice.

[HACSC intends, per Federal Register Notice FR-6284-N-01, to extend the term of FUP-Youth and FYI voucher assistance for up to an additional 24 months for youth participating in the HACSC Family Self-Sufficiency \(FSS\) program or who otherwise meet the criteria for extension as stipulated in FR-6284-N-01.](#)

C. The policies that the MTW agency is using or has used (currently implement, plan to implement in the submission year, plan to discontinue, previously discontinued).

1. Tenant Rent Policies	
a. Tiered Rent (PH)	Not Currently Implemented
b. Tiered Rent (HCV)	Not Currently Implemented
c. Stepped Rent (PH)	Not Currently Implemented
d. Stepped Rent (HCV)	Not Currently Implemented
e. Minimum Rent (PH)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
g. Total Tenant Payment as a Percentage of Gross Income (PH)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Not Currently Implemented
i. Alternative Utility Allowance (PH)	Not Currently Implemented
j. Alternative Utility Allowance (HCV)	Not Currently Implemented
k. Fixed Rents (PH)	Not Currently Implemented
l. Fixed Subsidy (HCV)	Not Currently Implemented
m. Utility Reimbursements (PH)	Not Currently Implemented
n. Utility Reimbursements (HCV)	Not Currently Implemented
o. Initial Rent Burden (HCV)	Not Currently Implemented
p. Imputed Income (PH)	Not Currently Implemented
q. Imputed Income (HCV)	Not Currently Implemented
r. Elimination of Deduction(s) (PH)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
t. Standard Deductions (PH)	Not Currently Implemented
u. Standard Deductions (HCV)	Not Currently Implemented
v. Alternative Income Inclusions/Exclusions (PH)	Not Currently Implemented
w. Alternative Income Inclusions/Exclusions (HCV)	Plan to Implement in the Submission Year
2. Payment Standards and Rent Reasonableness	
b. Payment Standards- Fair Market Rents (HCV)	Plan to Implement in the Submission Year
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
d. Rent Reasonableness – Third-Party Requirement (HCV)	Plan to Implement in the Submission Year
3. Reexaminations	
a. Alternative Reexamination Schedule for Households (PH)	Not Currently Implemented
b. Alternative Reexamination Schedule for Households (HCV)	Plan to Implement in the Submission Year
c. Self-Certification of Assets (PH)	Not Currently Implemented
d. Self-Certification of Assets (HCV)	Plan to Implement in the Submission Year
4. Landlord Leasing Incentives	
a. Vacancy Loss (HCV-Tenant-based Assistance)	Not Currently Implemented
b. Damage Claims (HCV-Tenant-based Assistance)	Not Currently Implemented
c. Other Landlord Incentives (HCV- Tenant-based Assistance)	Not Currently Implemented
5. Housing Quality Standards (HQS)	
a. Pre-Qualifying Unit Inspections (HCV)	Not Currently Implemented
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	Plan to Implement in the Submission Year
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented
6. Short-Term Assistance	
a. Short-Term Assistance (PH)	Not Currently Implemented
b. Short-Term Assistance (HCV)	Not Currently Implemented
7. Term-Limited Assistance	
a. Term-Limited Assistance (PH)	Not Currently Implemented
b. Term-Limited Assistance (HCV)	Not Currently Implemented
8. Increase Elderly Age (PH & HCV)	
Increase Elderly Age (PH & HCV)	Not Currently Implemented

9. Project-Based Voucher Program Flexibilities	
a. Increase PBV Program Cap (HCV)	Plan to Implement in the Submission Year
b. Increase PBV Project Cap (HCV)	Plan to Implement in the Submission Year
c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)	Plan to Implement in the Submission Year
d. Alternative PBV Selection Process (HCV)	Not Currently Implemented
e. Alternative PBV Unit Types (Shared Housing and Manufactured Housing) (HCV)	Not Currently Implemented
f. Increase PBV HAP Contract Length (HCV)	Not Currently Implemented
g. Increase PBV Rent to Owner (HCV)	Not Currently Implemented
h. Limit Portability for PBV Units (HCV)	Plan to Implement in the Submission Year
10. Family Self-Sufficiency Program with MTW Flexibility	
a.PH Waive Operating a Required FSS Program (PH)	Not Currently Implemented
a.HCV Waive Operating a Required FSS Program (HCV)	Not Currently Implemented
b.PH Alternative Structure for Establishing Program Coordinating Committee (PH)	Not Currently Implemented
b. HCV Alternative Structure for Establishing Program Coordinating Committee (HCV)	Not Currently Implemented
c.PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
c.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
d.PH Modify or Eliminate the Contract of Participation (PH)	Not Currently Implemented
d.HCV Modify or Eliminate the Contract of Participation (HCV)	Not Currently Implemented
e.PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
e.HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
11. MTW Self-Sufficiency Program	
a.PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
a.HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
b.PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
b.HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
12. Work Requirement	
a. Work Requirement (PH)	Not Currently Implemented
b. Work Requirement (HCV)	Not Currently Implemented
13. Use of Public Housing as an Incentive for Economic Progress (PH)	
Use of Public Housing as an Incentive for Economic Progress (PH)	Not Currently Implemented
14. Moving on Policy	
a. Waive Initial HQS Inspection Requirement (HCV)	Plan to Implement in the Submission Year
b.PH Allow Income Calculations from Partner Agencies (PH)	Not Currently Implemented
b.HCV Allow Income Calculations from Partner Agencies (HCV)	Plan to Implement in the Submission Year
c.PH Aligning Tenant Rents and Utility Payments Between Partner Agencies (PH)	Not Currently Implemented
c.HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)	Plan to Implement in the Submission Year
15. Acquisition without Prior HUD Approval (PH)	
Acquisition without Prior HUD Approval (PH)	Not Currently Implemented
16. Deconcentration of Poverty in Public Housing Policy (PH)	
Deconcentration of Poverty in Public Housing Policy (PH)	Not Currently Implemented
17. Local, Non-Traditional Activities	
a. Rental Subsidy Programs	Not Currently Implemented
b. Service Provision	Not Currently Implemented
c. Housing Development Programs	Plan to Implement in the Submission Year

C. MTW Activities Plan that Housing Authority Of The County Of Santa Cruz Plans to Implement in the Submission Year or Is Currently Implementing

1.w. - Alternative Income Inclusions/Exclusions (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative Exclude income from asset-building activities. This change benefits clients, increasing self-sufficiency and housing choice as well as saving tenant time. Additionally, it reduces staff time. Decreased staff paperwork increases operational efficiency and cost-effectiveness.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve? Cost effectiveness; Self-sufficiency; Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today. Increased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households? The MTW activity applies to all assisted households</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation. N/A</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described? Yes</p>
<p>What is the status of the Safe Harbor Waiver request? The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).</p>
<p>What inclusions or exclusions will be eliminated, modified, or added? Income attributable to the asset-building activities our PHA implements as part of the MtW Asset Building Cohort will be excluded.</p>

2.b. - Payment Standards- Fair Market Rents (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative The HACSC shall implement a payment standard between 80% and 120% of Fair Market Rents.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve? Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today. Neutral (no cost implications)</p>

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does this MTW activity require a hardship policy?

Yes

This document is attached.

Does the hardship policy apply to more than this MTW activity?

No

Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?

No

How many hardship requests have been received associated with this activity in the past year?

No hardship were requested in the most recent fiscal year.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does the MTW activity require an impact analysis?

Yes

This document is attached.

Does the impact analysis apply to more than this MTW activity?

No

Please explain the payment standards by FMR:

Currently, PHAs are required to establish payment standards between 90% - 120% Fair Market Rents. The proposed waiver would provide HACSC with greater flexibility to establish payment standards that reflect market rates, resulting in greater housing choice for program families.

2.d. - Rent Reasonableness – Third-Party Requirement (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC will no longer require a third party to conduct rent reasonableness tests at properties that HACSC owns, manages, or controls. HACSC will follow the rent reasonableness process used for all other HCV properties and conduct the test using a database consisting of comparable units or properties. Requiring approval from a third party increases costs and creates potential delays in the availability of needed housing units. Conducting these rent reasonableness tests in-house will achieve greater cost-effectiveness in federal expenditures, improve administrative efficiencies, eliminate confusion for staff and participants, and improve the response time for conducting rent reasonableness analyses. The agency will meet all safe harbor requirements of the Operations Notice including (1) The agency shall establish and make

available a quality assurance method to ensure impartiality; (2) The agency shall make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area; and (3) At the Department's request, the agency must obtain the services of a third-party.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness; Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies to all family types

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Applies only to units owned or controlled by the PHA.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Please explain or upload a description of the quality assurance method.

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

No document is attached.

Please explain or upload a description of the rent reasonableness determination method.

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

is used for Rent Reasonableness determinations but will always utilize a national rent reasonableness system that meets HUD regulatory requirements.

No document is attached.

3.b. - Alternative Reexamination Schedule for Households (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Reducing the frequency of household certifications allows participants to keep more of their income as their income increases. It also reduces the burden on both participants and Housing Specialists in acquiring, submitting, and processing paperwork. This change gives tenants a longer time with stable rent to allow for better financial planning and housing security. Tenants will have a greater ability to save for and accomplish life goals such as pursuing education and rent independence or home ownership. The activity as proposed meets all of the applicable safe harbor requirements in the Operations Notice including (1) Reexaminations must occur at least every three years; (2) The agency must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more; (3) Agency must implement an impact analysis; and (4) Agency must include a hardship policy.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness; Self-sufficiency

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Increased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does this MTW activity require a hardship policy?

Yes

This document is attached.

Does the hardship policy apply to more than this MTW activity?

No

Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?

No

How many hardship requests have been received associated with this activity in the past year?

No hardship were requested in the most recent fiscal year.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does the MTW activity require an impact analysis?

Yes

This document is attached.

Does the impact analysis apply to more than this MTW activity?

No

What is the recertification schedule?

Other

At least every three years for fixed-income families and at least every two years for all remaining families.

How many interim recertifications per year may a household request?

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

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

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

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

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

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

At reexamination, the agency will allow the self-certification of assets up to \$50,000. Reduced documentation requirements will reduce staff time for processing, thereby increasing operational efficiency and cost effectiveness. Reducing documentation saves time for staff and the majority of tenants whose assets are below a level that makes a difference in qualifying for support.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Please state the dollar threshold for the self-certification of assets.

\$50,000.

5.c. - Third-Party Requirement (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

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

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness; Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies to all family types

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Applies only to units owned or controlled by the PHA.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Please explain or upload the description of the quality assurance method:

Following will explain the quality assurance method

"Please explain or upload" - Explanation provided herein in lieu of an upload: The HACSC shall develop and implement procedures for the conduct of regularly scheduled quality control of PHA-owned unit inspections, including establishing the sampling size and frequency within the procedures and designating quality control inspector roles and responsibilities.

No document is attached.

9.a. - Increase PBV Program Cap (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

The HACSC proposes to project-base the lower of fifty percent (50%) of the total authorized units or fifty percent (50%) of annual budget authority of its vouchers to attach the funding to specific affordable units through the Project Based Voucher program.

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

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

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

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

50.00%

9.b. - Increase PBV Project Cap (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Allows more than the greater of twenty-five units or 25% of the units at a complex to receive Project-Based Voucher assistance. Under current regulations, "excepted" units that are for the elderly or those providing supportive services are already exempt from this cap. This activity would allow units that may not be serving the excepted populations to go above the cap up to 100% of the units at a project. This will increase housing choice and contribute to the development of additional affordable housing production available to households eligible for the Section 8 Program. The HACSC will continue to be subject to Notice PIH 2013-27 where applicable, or successor notices.

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

9.c. - Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

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

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?
The MTW activity applies only to a subset or subsets of assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?
New admissions and currently assisted households
Does the MTW activity apply to all family types or only to selected family types?
The MTW activity applies to all family types
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?
The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers
Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.
Applies only to units owned or controlled by the PHA.
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.
N/A
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?
No

9.h. - Limit Portability for PBV Units (HCV)
Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative
HACSC will limit moves from PBV units using a Housing Choice Voucher for 24 months after PBV move-in for applicants coming from site-based waiting lists or from non waiting list referral programs. PBV Residents coming from the HCV waiting list will continue to have portability with a Housing Choice Voucher after 12 months. This change ensures that households electing to move into a PBV unit cannot convert to an HCV after only one year, effectively bypassing the HCV waitlist. Additionally, it decreases the administrative burden for staff after initial intake. HACSC will comply with all safe harbor requirements including (1) Portability under this activity must not be restricted for more than 24 months; (2) The agency must have a clear and uniform policy in place to address how move requests are received and how they are approved/denied for PBV households; and (3) Participants must still retain the ability to request a tenant-based voucher for reasonable accommodation according to existing rules.
Which of the MTW statutory objectives does this MTW activity serve?
Cost effectiveness
What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.
Decreased expenditures
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

14.a. - Waive Initial HQS Inspection Requirement (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC may, at their discretion, waive the initial HQS inspection requirement for PSH residents transitioning into voucher-based assistance who are remaining in their unit. Waiving the initial HQS inspection will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance seamlessly without the disruption of inspection. Participants retain the right to request inspection at any time.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness; Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

Currently assisted households only

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

Only residents of Permanent Supportive Housing Programs.

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based

voucher unit.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

14.b.HCV - Allow Income Calculations from Partner Agencies (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC may, at their discretion, utilize the income calculations and documentation from partner agencies for PSH households transitioning to voucher based assistance, provided that income calculations must be determined in accordance with 24 CFR 5.609 and that any income calculations accepted from partner agencies must have been calculated within the past year. Utilizing the income calculations and documentation from partner agencies will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance quickly and seamlessly without completing redundant paperwork and procuring verification documents, which can be extremely challenging for vulnerable populations.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

Currently assisted households only

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

Only residents of Permanent Supportive Housing Programs transitioning to a voucher.

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

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

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

14.c.HCV - Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC may, at their discretion, adjust the subsidy for PSH residents transitioning into voucher-based assistance to align the tenant's portion of rent with the PSH program they are transitioning from. If a PSH tenant is transitioning from a program with a different subsidy structure, the transition could result in a significant increase in the tenant's contribution of rent, potentially resulting in displacement from their current unit. Having the flexibility to align the voucher subsidy with the subsidy from the PSH program will avoid increases in tenant rent burden and the potential for displacement.

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Increased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

Currently assisted households only

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

Only residents of Permanent Supportive Housing Programs transitioning to a voucher.

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

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

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

17.c. - Housing Development Programs

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC intends to use MTW funding to acquire, renovate and/or build affordable units that are not public housing units. Eligible activities may include gap financing or construction costs for development of affordable housing, conducted by the PHA or a PHA-controlled affiliate or by a non-PHA affordable housing developer, including but not limited to development of project-based voucher units, tax credit units, or affordable units funded with any other local, state, or federal funds. HACSC will not spend more than 10% of its HAP budget on local, non-traditional activities and families receiving housing or services through local, non-traditional activities must meet the definition of low-income. Local, non-traditional development activities will be conducted in accordance with the applicable requirements of PIH Notice 2011-45 and the MTW Operations Notice. The Agency shall comply with Safe Harbor provisions requiring compliance with Section 30 of the 1937 Housing Act and that any MTW Funding awarded to a third-party provider must be competitively awarded.

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Increased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Table 17.c.1 - Housing Development Programs that the MTW Agency plans to commit Funds to in Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Natural Bridges	New Construction	Gap Financing or Construction	20.00	20.00	0.00	20.00	0.00	0.00

Housing Development Programs that the MTW Agency plans to spend funds on in the Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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Table 17.c.2 - Housing Development Programs that the MTW Agency committed funds to in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
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Housing Development Programs that the MTW Agency spent funds on in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
---------------------------------	--	--	----------------------------	-----------------------	---	---	---	--

D.	Safe Harbor Waivers.
D.1	<p>Will the MTW agency submit request for approval of a Safe Harbor Waiver this year?</p> <p>Yes, the Safe Harbor Waiver request(s) for 1w is(are) attached.</p>

E.	Agency-Specific Waiver(s).
E.1	<p>Agency-Specific Waiver(s) for HUD Approval:</p> <p>The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, flexibilities beyond those provided for in Appendix I may be needed. Agency-Specific Waivers may be requested if an MTW agency wishes to implement additional activities, or waive a statutory and/or regulatory requirement not included in Appendix I.</p> <p>In order to pursue an Agency-Specific Waiver, an MTW agency must include an Agency-Specific Waiver request, an impact analysis, and a hardship policy (as applicable), and respond to all of the mandatory core questions as applicable.</p> <p>For each Agency-Specific Waiver(s) request, please upload supporting documentation, that includes: a) a full description of the activity, including what the agency is proposing to waive (i.e., statute, regulation, and/or Operations Notice), b) how the initiative achieves one or more of the 3 MTW statutory objectives, c) a description of which population groups and household types that will be impacted by this activity, d) any cost implications associated with the activity, e) an implementation timeline for the initiative, f) an impact analysis, g) a description of the hardship policy for the initiative, and h) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement.</p> <p>Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year?</p> <p>Yes, the Agency-Specific Waiver request is attached.</p>
E.2	<p>Agency-Specific Waiver(s) for which HUD Approval has been Received:</p> <p>Does the MTW agency have any approved Agency-Specific Waivers?</p> <p>MTW Agency does not have approved Agency-Specific Waivers</p>

F.	Public Housing Operating Subsidy Grant Reporting.
F.1	Total Public Housing Operating subsidy amount authorized, disbursed by 9/30, remaining, and deadline for disbursement, by Federal Fiscal Year for each year the PHA is designated an MTW agency.

Federal Fiscal Year (FFY)	Total Operating Subsidy Authorized Amount	How Much PHA Disbursed by the 9/30 Reporting Period	Remaining Not Yet Disbursed	Deadline
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G.	MTW Statutory Requirements.	
G.1	75% Very Low Income – Local, Non-Traditional. HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW agency are very low-income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA must provide data for the actual families housed upon admission during the PHA's most recently completed Fiscal Year for its Local, Non-Traditional program households.	
	Income Level	Number of Local, Non-Traditional Households Admitted in the Fiscal Year*
	80%-50% Area Median Income	0
	49%-30% Area Median Income	0
	Below 30% Area Median Income	0
	Total Local, Non-Traditional Households	0

*Local, non-traditional income data must be provided in the MTW Supplement form until such time that it can be submitted in IMS-PIC or other HUD system.

G.2	Establishing Reasonable Rent Policy.
Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency? Yes	

G.3	Substantially the Same (STS) – Local, Non-Traditional.
The total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year.	0 # of unit months
The total number of unit months that families were housed in a local, non-traditional housing development program for the prior full calendar year.	0 # of unit months

Number of units developed under the local, non-traditional housing development activity that were available for occupancy during the prior full calendar year:

PROPERTY NAME/ ADDRESS	0/1 BR	2 BR	3 BR	4 BR	5 BR	6+ BR	TOTAL UNITS	POPULATION TYPE*	if 'Population Type' is Other	# of Section 504 Accessible (Mobility)**	# of Section 504 Accessible (Hearing/ Vision)	Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year?	What was the Total Amount of MTW Funds Invested into the Property?
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G.4	Comparable Mix (by Family Size) – Local, Non-Traditional.
To demonstrate compliance with the statutory requirement to continue serving a 'comparable mix' of families by family size to that which would have been served without MTW, the MTW agency will provide the number of families occupying local, non-traditional units by household size for the most recently completed Fiscal Year in the provided table.	

Family Size:	Occupied Number of Local, Non-Traditional units by Household Size
1 Person	0
2 Person	0
3 Person	0
4 Person	0
5 Person	0
6+ Person	0
Totals	0

H.	Public Comment
	Attached you will find a copy of all of the comments received and a description of how the agency analyzed the comments, as well as any decisions made based on those comments.
	Please see attached for an additional public hearing held for Agency-Specific Waiver(s) and/or Safe Harbor Waiver(s)

I.	Evaluations.
	No known evaluations.

Agency-Specific Waiver – Alternative Reasonable Cost Limits

Waive: Total Development Cost limit in [Notice PIH 2011-45](#)

As a PHA committed to the development of new affordable housing, HACSC is requesting permission to adopt an alternative reasonable cost formula to include Hard Construction Cost (HCC) and Total Development Cost (TDC) for development and construction activities under the local non-traditional activities.

Rental Market

The National Low Income Housing Coalition’s 2023 Out of Reach Report names Santa Cruz-Watsonville as **the most expensive metro area for renters in the entire country.**

According to the report, the most expensive areas for renters in California are:

1. Santa Cruz-Watsonville MSA
2. San Francisco HFMA
3. San Jose-Sunnyvale-Santa Clara HMFA

The rental market in the Santa Cruz-Watsonville MSA is the most expensive in the nation in part due to insufficient supply of rental housing. New affordable housing development activities serving low-income households will reduce the rent burden on families in our community.

Homelessness

Homelessness is closely tied to the expensive rental market in the Santa Cruz-Watsonville MSA. As rental costs have continued to rise, families in our community are rapidly losing their housing and homelessness is one of the most impactful issues facing our County. The 2022 HUD AHAR reports that among **Largely Suburban CoC’s**, the Watsonville/Santa Cruz CoC (CA-508) is in the top five CoC’s for CoCs with the largest numbers of homelessness in the following three subpopulations: Unaccompanied Youth, Veterans, and Chronically homeless.

HUD can reduce a significant barrier to housing production by allowing HACSC to fund development based on real market conditions rather than the HUD HCC/TDC formula which is substantially lower than the actual costs for housing production in Santa Cruz County.

Construction costs have increased significantly in recent years and continue to rise rapidly in the form of increased material and labor costs and higher loan rates. Current industry construction cost projections anticipate continued increases due to supply chain and other market factors. Further, Santa Cruz is part of a larger metro-region, and competition for general contractors and trades, which includes Santa Clara and the greater Bay Area, increases construction costs in Santa Cruz.

The feasibility of HACSC's development projects are expected to continually be constrained due to project costs exceeding the TDC limits. Under the HUD established TDC limits HACSC can typically fund one third of the construction costs. Increasing the amount of MTW funds in a project will simplify the project financing and increase the speed at which projects can be completed. There is the additional benefit of MTW funds not being tied to the volatility of the market, which can increase costs in the middle of a project, subjecting an entire project to uncertainty.

As illustrated below, the cost of developing affordable housing in the County of Santa Cruz greatly exceeds the HUD HCC/TDC limits. However, the Operations Notice safe harbor requirements for MTW Activity 17.c. (Local, Non-Traditional Development) include PIH Notice 2011-45, which states, 'Projects must be within the HUD Total Development Cost and Housing Cost Cap Limits imposed on the development of affordable units in a project or within a PHA's alternate cost formula for development and redevelopment activities, if approved by HUD.' In light of substantially higher development costs in our jurisdiction, HACSC requests that HUD approve HACSC's alternate cost formula for LNT development and redevelopment projects.

Allowing HACSC to increase the HCC/TDC limit provides the Housing Authority with the ability to continue on our path towards being a local leader in the development and construction of affordable housing.

The alternative total development cost limit proposed by HACSC is as follows: HACSC analyzed certain PBV-supported projects under AHAP that went through the subsidy layering review process in March 2022 or later. [Appendix I provides the PBV Project Considerations for Alternate Reasonable Cost Limits.](#)

For projects supported with Low-Income Housing Tax Credits, the SLR was performed by the California Tax Credit Allocation Committee, the state Housing Credit Agency. In lieu of Form HUD-50156, SLR submitters provided their original Tax Credit application. For this calculation, the TDC was calculated by using the eligible basis, plus the land cost/land value and any applicable demolition costs. The HCC figures were calculated from all the hard construction costs, less demolition. For non-Tax Credit projects, the TDC and HCC were based on information in the form HUD-50156. The TDC was calculated as the Total Uses in the Construction Budget, less miscellaneous expenses that would not normally be included in a Tax Credit eligible basis, such as marketing, title and recording, and organizational costs. The HCC was calculated as the Development Construction Costs in the Construction Budget, less demolition and relocation costs.

The TDC and HCC for each project were then divided by the gross building square footage to determine that project's cost per square foot. From these quotients, the 75th percentile was calculated and an inflation factor of 15% was applied.

The 75th percentile of all the costs per square foot was used to account for differences in SLR submission projections and for the differences in economies of scale. For SLR submissions that use the HUD-50156, the projected costs are relatively recent, while projections from the Tax Credit applications were typically prepared a substantial amount of time prior to the SLR. HACSC based its TDC and HCC figures primarily on developments leveraging Tax Credits, therefore the projected costs per square foot were considerably lower than more timely projections found in the HUD-50156. Finally, a 15% inflation factor was added to adjust for the quickly changing market, including both rising interest rates and the general cost of goods and services.

To determine the proposed reasonable cost limits, HACSC multiplied the inflation-adjusted 75th percentile cost per square foot by the unit square footage indicated in the HUD HCC/TDC limit chart. The inflation-adjusted 75th percentile cost per square foot can be seen below:

HACSC Inflation-Adjusted 75 th Percentile Cost per Square Foot	
HCC	TDC
\$773.07	\$1,025.20

HACSC did not differentiate between elevator and walkup buildings in its calculations and proposes a single HCC and TDC for both building types. The difference in the 2022 HUD HCC/TDC limits for these building types are marginal and neither type has a greater TDC for all unit sizes. In some instances, the difference in TDC is less than \$1,000. **A table of the proposed Total Development Cost and Housing Construction Cost is below:**

HACSC Reasonable Cost Limits for MTW Funds (Proposed for Both Walkup & Elevator)									
0 Bedroom (500 sq. ft.)		1 Bedroom (700 sq. ft.)		2 Bedroom (900 sq. ft.)		3 Bedroom (1200 sq. ft.)		4 Bedroom (1500 sq. ft.)	
HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)
386,533	512,602	541,147	717,643	695,760	922,683	927,680	1,230,244	1,159,600	1,537,806

HUD 2022 HCC/TDC Limits for Santa Cruz (Walkup Building)									
0 Bedroom (500 sq. ft.)		1 Bedroom (700 sq. ft.)		2 Bedroom (900 sq. ft.)		3 Bedroom (1200 sq. ft.)		4 Bedroom (1500 sq. ft.)	
HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)	HCC (\$)	TDC (\$)
102,964	180,188	140,812	246,422	178,612	312,570	235,731	412,530	292,397	511,696

This MTW activity serves the following statutory objectives:

Housing Choice

This activity corresponds with the HUD goal of increasing housing choice by increasing funds available for construction, thereby increasing housing production.

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

All assisted households.

This MTW activity has the following cost implications:

Increase revenue

The implementation timeline for the initiative is:

Upon approval of Amended MTW Supplement.

This MTW activity does require an impact analysis.

Hardship Policy: No households will be adversely affected by this MTW activity. The proposed activity will benefit the community by increasing housing production and housing choice.

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

To be completed after public hearing.

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

Agency-Specific Waiver - Alternative Reasonable Cost Limits
Waiver Description: Waive: Total Development Cost limit in Notice PIH 2011-45
Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.
Implement an alternative reasonable cost formula to include Hard Construction Cost (HCD) and Total Development Cost (TDC) for development and construction activities under the local non-traditional activities. Due to substantially higher development costs in our jurisdiction, HACSC has calculated an alternate cost formula for LNT development and redevelopment projects. Increasing the amount of MTW funds in a project will simplify the project financing and increase the speed at which projects can be completed.
Which of the MTW statutory objectives does this MTW activity serve?
<input type="checkbox"/> Cost effectiveness. <input type="checkbox"/> Self-sufficiency. <input checked="" type="checkbox"/> Housing Choice
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?
The waiver applies to all assisted households.
Does the MTW activity apply to all family types or only to selected family types?
This waiver applies to all family types
Please select the family types subject to this MTW activity.
All family types.
Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).
HACSC anticipates that this proposed waiver will increase revenue.
Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)
HACSC anticipates that this proposed waiver will not affect how much affected families will pay towards housing costs.
Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist);
HACSC anticipates that this proposed waiver will reduce the amount of time families wait on the waiting list through additional affordable housing development, making more housing available sooner.
Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency);

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

HACSC anticipates that this proposed waiver will not impact the agency's termination rate of families.
Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program
HACSC anticipates that this proposed waiver will not impact the agency's current utilization rate in the HCV program.
Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice
This proposed waiver will support the MTW statutory goal of housing choice by providing additional affordable housing units through increased development activity.
Impact on the agency's ability to meet the MTW statutory requirements;
HACSC does not anticipate that this waiver would result in any change in the Agency's ability to meet the MTW statutory requirements.
Impact on the rate of hardship requests and the number granted and denied as a result of this activity.
Given that this waiver would benefit assisted households, the HACSC does not anticipate any hardship requests resulting from this waiver.
Across the other factors above, the impact on protected classes (and any associated disparate impact).
HACSC does not anticipate that this waiver would result in any disparate impact to any protected class.
Implementation timeline.
HACSC will implement this initiative upon approval of the Amended MtW Supplement.
Description of a hardship policy, if needed. The MTW agency must adopt a written policy for determining when a requirement or provision of an MTW activity constitutes a financial or other hardship for the family. The agency must include this policy as an attachment to its MTW Supplement to the Annual PHA Plan. The agency may use a single hardship policy, as applicable, for multiple MTW waivers or develop different hardship policies for different MTW waivers as it finds appropriate.
Not applicable. Given that this waiver would benefit the impacted families, the HACSC does not anticipate any hardship requests resulting from this waiver.

Appendix I

PBV Project Considerations for Alternate Reasonable Cost Limits

Project Name	Type	Gross Building Area Sq. Ft.	Calculated TDC	Calculated HCC	TDC per sq. ft.	HCC per sq. ft.
Harvey West Studios	Elevator	56,150	\$ 60,631,654	\$ 46,013,855	\$ 1,079.82	\$ 819.48
Park Haven Plaza	Elevator	26,272	\$ 18,473,083	\$ 13,792,363	\$ 703.15	\$ 524.98
Cienega Heights	Elevator	107,381	\$ 54,259,786	\$ 38,692,568	\$ 505.30	\$ 360.33
Pacific Station South	Elevator	96,372	\$ 46,012,159	\$ 35,926,137	\$ 477.44	\$ 372.79
Bienestar Plaza	Walkup	58,794	\$ 39,936,216	\$ 30,096,480	\$ 679.25	\$ 511.90
Tabasa Gardens	Elevator	59,387	\$ 32,998,011	\$ 23,305,627	\$ 555.64	\$ 392.44
Jessie Street	Elevator	32,604	\$ 38,710,340	\$ 28,078,456	\$ 1,187.29	\$ 861.20

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

RESOLUTION NO. 2023-07

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

**RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
APPROVING AN AMENDMENT TO THE ANNUAL MOVING TO WORK SUPPLEMENT
FOR SUBMISSION TO THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT**

WHEREAS: HACSC is a Public Housing Authority administering the Section 8 Housing Choice Voucher (HCV) program;

WHEREAS: HACSC was selected by the Department of Housing and Urban Development (HUD) to participate in the Moving to Work (MTW) Demonstration Expansion program, to design and test new ways of providing housing assistance and services to low-income families;

WHEREAS: HACSC and HUD fully executed the MTW Annual Contributions Contract amendment effective January 1, 2023;

WHEREAS: HACSC submitted the Annual MTW Supplement to HUD and received conditional approval from HUD on June 14, 2023;

WHEREAS: HACSC has held a public hearing to take public comment on August 16, 2023, prior to submitting the Amendment to the Annual MTW Supplement to HUD.

NOW, THEREFORE, be it resolved that the Board of Commissioners of the Housing Authority of the County of Santa Cruz hereby approves and authorizes staff to submit an amendment to MTW Supplement annual submission;

FURTHER RESOLVED, that HACSC has met the public process requirements in Section 7(A)(ii) of the HUD Moving to Work Operations Notice;

PASSED AND ADOPTED, by the Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this 16th of August, 2023 by the following vote:

AYES:

NOES:

ABSENT:

Chairperson of the Authority

ATTEST:

Secretary of the Authority

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

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

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

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

MTW PHA NAME

MTW PHA NUMBER/HA CODE

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

NAME OF AUTHORIZED OFFICIAL

TITLE

SIGNATURE

DATE

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

AGENDA ITEM SUMMARY

MEETING DATE: August 16, 2023

ITEM NUMBER: 8

FROM: Exec. Director; Deputy Exec. Director

SUBJECT: Director's Report – August 16, 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 August 16, 2023 meeting. My phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

Natural Bridges Apartments – Construction work continues at the site. The month of August is primarily focused on foundation and slab work which includes setting and digging footings, installing footing rebar, installing base rock and vapor barriers, layout for anchor bolts, and pouring the footings and slab. Framing and roof work are on schedule for September and October. Construction is scheduled to be completed in July 2024.

MTW Waiver Implementation – On June 14, 2023, HUD provided approval of the Housing Authority's Annual Plan and Moving to Work (MTW) Supplement. HUD is still reviewing the Agency-Specific Waivers and Safe Harbor Waiver requests submitted as part of the Housing Authority of the County of Santa Cruz's Moving to Work (MTW) Supplement to its Fiscal Year beginning July 1, 2023. The following waivers remain under review:

- Waiver of 24 CFR 982.455 – Automatic Termination of HAP contract; Extend Zero HAP to 360 Days
- Waiver of 24 CFR 982.516 and 982 Subpart E and 983 – Allow use of Tenant Income Certification (TIC) for PBV eligibility determination.
- Waiver of Certain provisions of sections 23(b)-(f), and (n)(1) of the 1937 Act and 24 CFR 984.101-105, 984.201-204, 984.301-306 and 984.401 - Opt-Out Savings Account (HCV)
- Safe Harbor Waiver – Exclusion of income received through Opt Out Savings Account contributions.

All other waivers requested have been approved and staff have begun the process of implementing the waivers, beginning with the waiver regarding biennial and triennial re-examinations. Information regarding changes impacting families will be sent in a letter to all program participants, and will be placed on our website.

Appropriations and HUD Budget Update – Earlier this Summer, the Senate and House of Representatives reached a deal which was approved by the President in time to avoid reaching the debt

ceiling. However, the debt ceiling deal did include required spending cuts that will impact funding for housing programs. The “Fiscal Responsibility Act of 2023” sets spending caps for FY 2024 and FY 2025 and makes unenforceable recommendations on limits through 2029. The spending cap for FY 2024 essentially freezes current spending levels, with spending increasing by only 1% in FY 2025. The legislation includes an automatic 1% across the board spending cut if lawmakers fail to pass all 12 appropriations bills in FY 2024 and FY 2025. This cut goes into effect on January 1, 2025 and January 1, 2026 if a continuing resolution is in place on those dates. Either scenario is likely to present significant challenges to the HUD budget.

On July 18, the Senate Appropriations Committee approved its FY 2024 Transportation-HUD spending bill. That same day, the House Appropriations Committee approved its FY 2024 THUD appropriations bill, passed by Transportation-Housing and Urban Development (THUD) Subcommittee on July 13. Overall, the Senate bill provides \$70.06 billion for HUD, a slight decrease over current levels but \$1.86 billion higher than the House FY24 T-HUD spending bill. The Senate bill includes \$27.766 billion for HAP renewals. This is a \$1.364 billion increase over the enacted Fiscal Year (FY) 2023 level, \$74 million less than the President’s proposed budget, and \$391 million more than the House bill. Industry analysts anticipate that this amount will result in full funding or nearly full funding, though this estimate may be subject to changes as additional information becomes available. The Senate bill allocates \$2.781 billion for administrative fees (\$2.751 billion for ongoing administrative fees and \$30 million for additional administrative fees). This is \$3 million more than the FY 2023 enacted budget, \$421 million less than the President’s budget, and \$47 million more than the House bill. Analysts estimate that this is an 88% proration of full formula eligibility, a reduction from current levels. Neither the Senate Bill nor the House Bill include funding for new general purpose vouchers, although the Senate Bill does include funding for additional special purpose vouchers including VASH, Mainstream and Family Unification Program vouchers.