

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
September 20, 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, 2027
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 August 16, 2023

Motion to Approve

B. Fiscal Year-End Financials

Receive Report

C. Year-End Interfund Loans

Authorize Year-End Interfund Loans from 41st Ave Office Fund

D. Administrative Plan Amendments

Approve Amended Administrative Plan

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

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

6. New Business
 - A. Board Governance Models
Discuss Board Governance Models
7. Written Correspondence
 - A. Commissioner Morales's Re-Appointment Letter from the Board of Supervisors
Receive Letter
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. Real Property Negotiations
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

Chairperson Schiffrin called the meeting to order at 11:06 a.m. Members present Chairperson Schiffrin, Vice-Chairperson Berg, Commissioners Eligio and Morales (Commissioner Schmale entered the meeting at 11:26 a.m. and Commissioner Martinez Alaniz entered the meeting at 11:27 a.m.)

Members Absent

Commissioner Melendrez (excused)

Staff Present

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

AGENDA ITEM NO. 2

Consideration of Late Additions or Changes to the Agenda

Secretary Panetta informed the Board that staff would like to add wording to the Subject and Recommendation line of Agenda Item 6B. Subject to now read Public Hearing, Amendment to MTW Supplement. Recommendation to now read Adopt Resolution No. 2023-07 Approving the Amendment to the MTW Supplement to Include a Waiver Request to Establish Alternative Reasonable Cost Limits. Agenda Item 6B will be updated per staff's request.

AGENDA ITEM NO. 3

Consent Agenda

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

Chairperson Schiffrin thanked staff for answering his questions in advance.

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

Agenda Item 3A. Approved Minutes of the Regular Meeting held June 21, 2023

Agenda Item 3B. Received Report County of Santa Cruz Housing Element

Agenda Item 3C. Received Report City of Scotts Valley Housing Element

Agenda Item 3D. Received Report Housing Authority Fiscal Year 2022/2023 Agency Goals – Final Report

Agenda Item 3E. Received Report New Horizon Programs and Services – FY23 Year 1 Report
Agenda Item 3F. Approved Administrative Plan Amendment for MTW Waiver Implementation
Agenda Item 3G. Approved Staff Recommendation for Changes to the Agency’s Health, Dental, and Vision Insurance Contribution Levels.

AGENDA ITEM NO. 4 Oral Communications
None.

AGENDA ITEM NO. 5 Unfinished Business
None.

AGENDA ITEM NO. 6A Election of Officers

Chairperson Schiffrin informed the Board that with three Commissioners not in attendance, he proposes to postpone this Agenda Item until the next meeting. The Board agreed to postpone this Agenda Item.

The Board of Commissioners agreed to put this back on the agenda now that all but one Commissioner is in attendance. Commissioner Schmale asked if Chairperson Schiffrin and Vice-Chairperson Berg would be interested in serving as Officers again. Chairperson Schiffrin stated that he would be happy to continue serving unless there was another Commissioner who was interested.

Commissioner Berg nominated Chairperson Schiffrin as Chairperson; Commissioner Eligio seconded the nomination. Chairperson Schiffrin stated that he is happy to continue as Chairperson but that there are new Commissioners that may be interested in serving. Commissioner Morales wanted to confirm that there are no term limits for Officers. Staff confirmed that there are no term limits.

Commissioner Morales asked if the Board had considered other governance models, noting that some models that include a rotation of officers are associated with a greater level of diversity and representation of Board leadership which can benefit the Board and the Agency, and which also provide leadership development opportunities for Board members. A discussion followed. Commissioner Schmale asked if Commissioner Morales was interested in serving as an Officer. Commissioner Morales stated she is not interested in serving as this time.

Chairperson Schiffrin asked if any other Commissioner would like to be Chairperson or Vice-Chairperson. Commissioner Martinez Alaniz stated she would be interested in serving as Vice-Chairperson either at this time or in the future. Commissioner Martinez Alaniz offered herself for consideration for the Vice-Chair position. Chairperson Schiffrin confirmed with the Board that there is a nomination for himself as Chairperson and Commissioner Martinez Alaniz as Vice-Chairperson on the floor. Commissioner Berg asked Commissioner Eligio if she would be interested in serving. Commissioner Eligio declined serving at this time. Chairperson Schiffrin asked if there were any other nominations and asked for a motion to

close nominations. Vice-Chairperson Berg stated she would like to nominate herself to continue serving as Vice-Chairperson.

Chairperson Schiffrin stated that there is a nomination for himself as Chairperson and two nominations for Vice-Chairperson on the floor. Chairperson Schiffrin asked for a motion to close the nominations. Commissioner Schmale moved that the nominations be closed; Commissioner Eligio seconded the motion and it as passed by the following vote:

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

Chairperson Schiffrin asked for a vote of approval for Chairperson. Commissioner Morales suggested that the Board postpone Election of Officers for the following month when all Commissioners can be in attendance. Chairperson Schiffrin asked for a motion to continue this item at the September meeting. Commissioner Morales made a motion to continue this item until next month; Commissioner Martinez Alaniz seconded the motion and it as passed by the following vote:

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

In addition to election of officers, staff will also bring information on various models of board governance to the Board of Commissioners for discussion as a separate Agenda Item at the September meeting.

AGENDA ITEM NO. 6B Public Hearing, Review and Consideration to the Amendment to
MTW Supplement

Secretary Panetta introduced Deputy Executive Director Tom Graham who informed the Board that today ends the 45-day Public Hearing period for the Amendment to the MTW Supplement. The Housing Authority has not received any comments in advance of the Public Hearing. Deputy Executive Director Graham informed the Board that the purpose of the Amendment is to obtain approval from HUD for the Housing Authority to allocate a sufficient amount of MTW funds to adequately support the cost of development projects in Santa Cruz County. The waiver compliments the goals of the Board, the Housing Authority and New Horizons in increasing the affordable housing supply in the county.

Deputy Executive Director Graham informed the Board of HUD's applicable Hard Construction Cost and

Total Development Costs for development and construction activities under the local non-traditional activities and the Housing Authority's proposed Alternative Reasonable Cost Limits. Deputy Executive Director Graham also informed the Board that this waiver request will optimize the award of set aside funding for the Natural Bridges projects, but there are also exponential benefits in that the Housing Authority's eligible use of set aside funding will increase the Housing Authority's baseline funding formula for subsequent years. A discussion followed.

Chairperson Schiffrin opened the Public Hearing for the Review and Consideration to the Amendment to MTW Supplement at 11:15 a.m.

Public Hearing Comments:

No Public in attendance with Comments. Secretary Panetta confirmed that no written Public Comments were received by staff.

End of Public Comments:

Chairperson Schiffrin closed the Public Hearing for the Review and Consideration to the Amendment to MTW Supplement at 11:15 a.m.

Commissioner Berg moved to Adopt Resolution No. 2023-07 Approving the Amendment to the MTW Supplement to Include a Waiver Request to Establish Alternative Reasonable Cost Limits; Commissioner Eligio seconded the motion and it as passed by the following vote:

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

AGENDA ITEM NO. 7 Written Correspondence
None.

AGENDA ITEM NO. 8 Report of Executive Director

Deputy Executive Director Graham gave the Board an update on the 415 Natural Bridges development. The foundation is scheduled to be poured soon and construction is expected to be completed in July 2024.

Executive Director Panetta updated the Board on the MTW Waiver Implementation. All but four of the waivers requested have been approved by HUD. Staff have begun the process of implementing the approved waivers.

Executive Director Panetta gave the Board a legislative update.

Chairperson Schiffrin suggested that staff order a sign for the Natural Bridges development that has information about the site such as 20 units of affordable housing and naming the Housing Authority as the developer. Staff had expressed concern about people interested in the units although they will be only available to applicants currently on the waiting list. Chairperson Schiffrin suggested adding that information to the sign. Chairperson Schiffrin asked the Board if they have any concerns about the sign. Staff informed the Board that the sign has been designed and is ready for printing with the wording that the units will only be available to applicants on the waiting list.

Commissioner Berg posed a question about whether the sign would include the New Horizons logo or the Housing Authority logo, asking if we wanted New Horizons to have more of a community presence. Staff indicated that both logos are on the sign. Commissioner Morales stated that promoting New Horizons could have the effect of diluting our brand. Commissioner Schiffrin suggested that the Board discuss this at a later date. The Board of Commissioners agreed that this is a topic for future discussion.

Commissioner Schiffrin asked the Board of Commissioners if they wanted to return to Agenda Item 6A now that all but one Commissioner is in attendance. The Board of Commissioners agreed to put this back on the agenda. (See Agenda Item 6A for the minutes).

AGENDA ITEM NO. 9 Reports from Board Members
None.

AGENDA ITEM NO. 10 Closed Session

A. Executive Director Employee Evaluation

AGENDA ITEM NO. 11 Report on Closed Session

No action taken.

The Board of Commissioners meeting was recessed at 11:55 a.m. Chairperson Schiffrin called the meeting back to order at 11:56 a.m. The Board entered Closed Session.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 12:15 p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE ANNUAL MEETING AUGUST 16, 2023, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

Santa Cruz, on the Twentieth of September, 2023.

Vice Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: September 20, 2023

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: Fiscal Year-End Financials

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

The year-to-date financial reports through June 30, 2023, comprise the entire 2022-2023 fiscal year. The total of all revenue, excluding HAP reimbursements, is 98% of total budgeted, while HAP is 100% of the amount budgeted. Total expenses, excluding HAP, are 92% of the amount budgeted.

The agency as a whole generated a fiscal year surplus of \$1,700,287, which is higher than anticipated, due to higher than expected Section 8 admin fees while total personnel benefit costs were under budget. The surplus and deficit positions by programs groups are as follows:

Section 8 Programs	\$845,505	Vouchers, Mod Rehab & Mob Rehab SRO
Federal Housing Programs	800	Casa Pajaro & Tierra Alta Farm Labor Housing, LIPH
Federal Grants	(11,407)	Family Self Sufficiency & Shelter Plus Care Grants
Local Programs	11,361	Security Deposits, Landlord Incentives, Eligibilities
Business Activities	854,028	Includes 41st Ave Offices & Mission St Warehouse
Agency-Wide Surplus	\$1,700,287	

The following individual programs are generated a year-end deficit:

Family Self Sufficiency (FSS)	(\$11,407)	(Grant funds insufficient to cover personnel costs)
Casa Pajaro	(\$24,657)	(Maintenance and operations expense exceeds rental income)
Tierra Alta	(\$8,045)	(Maintenance and operations expense exceeds rental income)
Measure O	(\$1,637)	(Admin fees insufficient to cover personnel costs)

RECOMMENDATION: Receive Report

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
Budget Comparison - All Funds
Agency-Wide Summary
Fiscal Year to Date for the Period July 1, 2022 - June 30, 2023 (4th Quarter)

		2022-2023	
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	116,364,191	116,679,920	100%
Administrative Fees	9,481,019	9,010,061	105%
Grants / Contracts	876,153	966,416	91%
Rental Income	1,690,439	1,711,806	99%
Operating Transfers In	558,042	1,316,124	42%
Other Income	274,115	94,862	289%
Total Revenues:	129,243,959	129,779,189	100%
Expenses:			
Housing Assistance Pmts	116,364,191	116,679,920	100%
Salaries	4,744,210	4,694,253	101%
Employee Benefits	2,170,945	2,436,384	89%
Capital Purchases	250,911	1,306,424	19%
Maintenance	573,623	466,036	123%
General Administrative	2,206,734	2,277,247	97%
Tenant Services	1,157,716	939,007	123%
Operating Transfers Out	73,621	60,615	121%
Debt Service	1,721	7,294	24%
Total Expenses:	127,543,671	128,867,180	99%
Surplus (Deficit):	1,700,287	912,009	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
Budget Comparison - Section 8
Includes Mod Rehab, Mainstream, and Santa Cruz Voucher Program
Fiscal Year to Date for the Period July 1, 2022 - June 30, 2023 (4th Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	115,566,760	115,877,197	100%
Administrative Fees	8,650,824	8,159,181	106%
Grants / Contracts	-	-	0%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	116,301	22,724	512%
Total Revenues:	124,333,885	124,059,102	100%
Expenses:			
Housing Assistance Pmts	115,566,760	115,877,197	100%
Salaries	3,911,113	3,840,248	102%
Employee Benefits	1,893,657	2,094,825	90%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	1,630,595	1,582,597	103%
Tenant Services	486,255	202,500	240%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	123,488,380	123,597,367	100%
Surplus (Deficit):	845,505	461,735	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Housing

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

Fiscal Year to Date for the Period July 1, 2022 - June 30, 2023 (4th Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	-	-	0%
Rental Income	709,637	768,397	92%
Operating Transfers In	243,390	724,069	34%
Other Income	85,330	41,376	206%
Total Revenues:	1,038,357	1,533,842	68%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	193,574	191,567	101%
Employee Benefits	68,420	81,946	83%
Capital Purchases	148,445	724,069	21%
Maintenance	411,701	333,800	123%
General Administrative	137,161	123,882	111%
Tenant Services	2,914	-	0%
Operating Transfers Out	73,621	60,615	121%
Debt Service	1,721	7,294	24%
Total Expenses:	1,037,558	1,523,173	68%
Surplus (Deficit):	800	10,668	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Grants

Includes Family Self Sufficiency and Shelter Plus Care Grants

Fiscal Year to Date for the Period July 1, 2022 - June 30, 2023 (4th Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	797,431	802,723	99%
Administrative Fees	-	-	0%
Grants / Contracts	189,445	191,916	99%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	-	-	0%
Total Revenues:	986,876	994,639	99%
Expenses:			
Housing Assistance Pmts	797,431	802,723	99%
Salaries	113,547	147,493	77%
Employee Benefits	65,756	68,590	96%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	1,356	1,933	70%
Tenant Services	20,193	26,607	76%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	998,283	1,047,346	95%
Surplus (Deficit):	(11,407)	(52,707)	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
Budget Comparison - Local Programs
Includes programs funded by the local jurisdictions
Fiscal Year to Date for the Period July 1, 2022 - June 30, 2023 (4th Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	686,708	774,500	89%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	13,456	9,100	148%
Total Revenues:	700,164	783,600	89%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	24,788	42,765	58%
Employee Benefits	6,798	16,069	42%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	8,864	13,645	65%
Tenant Services	648,353	709,900	91%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	688,803	782,379	88%
Surplus (Deficit):	11,361	1,221	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Business Activities

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

Fiscal Year to Date for the Period July 1, 2022 - June 30, 2023 (4th Quarter)

	2022-2023		
	FY 2022-2023	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	830,195	850,879	98%
Grants / Contracts	-	-	0%
Rental Income	980,802	943,409	104%
Operating Transfers In	314,652	592,055	53%
Other Income	59,028	21,662	272%
Total Revenues:	2,184,677	2,408,005	91%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	501,188	472,180	106%
Employee Benefits	136,314	174,954	78%
Capital Purchases	102,466	582,355	18%
Maintenance	161,922	132,236	122%
General Administrative	428,759	555,189	77%
Tenant Services	-	-	0%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	1,330,648.84	1,916,914	69%
Surplus (Deficit):	854,028	491,091	

AGENDA ITEM SUMMARY

MEETING DATE: September 20, 2023

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: Year-End Interfund Loans

RECOMMENDATION: Authorize Year-End Interfund Loans from 41st Ave Office Fund

BACKGROUND SUMMARY:

Most of the grants and contracts awarded to the Housing Authority are paid on a cost reimbursement basis. As a result, there are timing differences which can occur between the payment of expenses and the receipt of the grant or contract revenues, resulting in negative cash balances on the grant fund books. It is customary to report liabilities in lieu of negative cash balances in the annual financial statements and year-end reports. As a result, temporary interfund cash loans need to be made from the Housing Authority 41st Avenue Office Fund as follows:

Fund 681	FSS Coordinator Grant	\$ 16,807.31
Fund 683	Shelter Plus Care Grant	\$ 66,925.01
Fund 716	Migrant Services Administration	\$ 46,639.35
Fund 772	2170 41 st Avenue Annex Office	\$ 331,160.08
Fund 781	Merrill Road Administration	\$ 75,866.03
Fund 852	City of Santa Cruz	\$ 27,791.85
Fund 855	City of Watsonville	\$ 2,900.00
Fund 865	County HOME Grant	<u>\$ 88,125.48</u>
Fund 771	Loan from 41st Avenue Office Fund	\$ 656,215.11

These temporary interfund loans will be recorded in the general ledger on June 30, 2023 and reversed on July 1, 2023. Amounts are subject to change pending any adjustments during the course of the financial audit.

RECOMMENDATION:

Authorize Year-End Interfund Loans from 41st Ave Office Fund.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA ITEM SUMMARY

MEETING DATE: September 20, 2023

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: Administrative Plan Amendments

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. Documents relying upon the approved Annual Plan and MTW Supplement, such as the Housing Choice Voucher Administrative Plan, must be updated to reflect those policies. Staff have completed a draft update to the Administrative Plan to implement waiver 9.c. – Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement. The draft update also clarifies waiting list policies for the Project-Based Voucher (PBV) Program.

The draft provided for review is a redlined version with “track changes” enabled so that all proposed revisions are visible. The revisions include changes that align with full implementation of waiver 9.c. and for HUD requirements of the PBV Program. 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

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications – September 20, 2023

Text underlined in blue is new

Text in ~~red strikethrough~~ is deleted

Item	Sec #	Pg #	Section Title	Proposed Wording	Explanation									
1	I	4	Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List	<p>Site-Based Waiting Lists Selection of Families for Project-Based Voucher Units Developments</p> <p>Project-Based Voucher sites may have separate site-based waiting lists, as listed below, <u>or may utilize the combined Housing Choice Voucher waiting list.</u> 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 <u>u</u>nit in developments that utilize a <u>the</u> combined <u>Housing Choice Voucher</u> waiting list. Such voucher holders will be given preference over waiting list applicants. <u>Specifically designated Project-Based Voucher properties may offer units through a referral process with a third-party agency. Eligible families referred through this method will be placed on a PBV waiting list for designated unit(s) at that property and receive an absolute preference. Such properties are listed in the table below.</u></p>	Update language for clarity and to align with PBV regulations.									
2	I	4 - 6	Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List	<table border="1"> <thead> <tr> <th>PBV Development</th> <th>Location</th> <th>Waiting List Conditions</th> </tr> </thead> <tbody> <tr> <td><u>El Centro</u> 44 PBV units – senior housing</td> <td>1110 Pacific Avenue Santa Cruz</td> <td>44 units - Date of placement on the <u>site-based</u> waiting list</td> </tr> <tr> <td><u>Resetar Residential Hotel</u> 53 PBV units</td> <td>15 West Lake Avenue Watsonville</td> <td>45 PBV units - date of placement on the <u>site-based</u> waiting list 8 HUD VASH PBV units - referrals from <u>the Department of Veterans Administration</u> Affairs</td> </tr> </tbody> </table>	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 <u>site-based</u> waiting list	<u>Resetar Residential Hotel</u> 53 PBV units	15 West Lake Avenue Watsonville	45 PBV units - date of placement on the <u>site-based</u> waiting list 8 HUD VASH PBV units - referrals from <u>the Department of Veterans Administration</u> Affairs	Add Merrill Road site-based waiting list information. Correct and update language for clarity.
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 <u>site-based</u> waiting list												
<u>Resetar Residential Hotel</u> 53 PBV units	15 West Lake Avenue Watsonville	45 PBV units - date of placement on the <u>site-based</u> waiting list 8 HUD VASH PBV units - referrals from <u>the Department of Veterans Administration</u> Affairs												

Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications – September 20, 2023

Text underlined in blue is new

Text in ~~red strikethrough~~ is deleted

			<p><u>St. Stephens Senior Housing</u></p> <p>2510 Soquel Avenue Santa Cruz</p> <p>39 PBV units – senior housing</p>	<p>29 PBV units - lottery number on the <u>site-based</u> waiting list</p> <p>5 HUD VASH PBV units - referrals from <u>the Department of Veterans Administration Affairs</u></p> <p>5 PBV units for frail elderly – referrals from Health Projects Center</p>
			<p><u>Pippin Orchards Apartments</u></p> <p>56 Atkinson Lane Watsonville</p> <p>31 PBV units</p>	<p>25 PBV units- lottery number on the HCV-<u>site-based</u> waiting list</p> <p>6 PBV units for persons with disabilities who will most benefit from supportive services – referrals from Housing Choices Coalition</p>
			<p><u>Sunrise Senior Apartments</u></p> <p>580 Westside Blvd. Hollister</p> <p>48 PBV units – senior housing</p>	<p>43 PBV units - Sunrise Senior Apartments will use a site-based waiting list. Applications will be processed based on date the application is received.</p> <p>5 HUD VASH PBV units - referrals from <u>the Department of Veterans Administration Affairs</u></p> <p>5 HUD VASH PBV units – referrals from Veterans Administration</p>
			<p><u>Water Street Apartments</u></p> <p>708 Water Street Santa Cruz (City)</p> <p>33 PBV units</p>	<p>25 PBV units - lottery number on the HCV waiting list</p> <p>8 PBV units for persons with disabilities who will most benefit from supportive services – referrals from Housing Choices Coalition</p>

Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications – September 20, 2023

Text underlined in blue is new

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				<p><u>San Andreas</u> 4 PBV units – farmworker housing</p> <p>295 San Andreas Road Watsonville</p> <p>4 PBV units - the Housing Authority may accept referrals of eligible families from Mid-Pen Housing’s waiting list.</p>	
				<p><u>Villas del Paraiso</u> 14 PBV units – farmworker housing</p> <p>340 Paraiso Drive Watsonville</p> <p>14 PBV units - The Housing Authority may accept referrals of eligible families from Mid Pen Housing’s waiting list.</p>	
				<p><u>Jardines del Valle</u> 5 PBV units</p> <p>76 Murphy’s Crossing Road Santa Cruz County (unincorporated area)</p> <p>5 PBV units - The Housing Authority may accept referrals of eligible families from Mid-Pen Housing’s waiting list</p>	
				<p><u>Pajaro Valley Shelter Services</u> 4 PBV units</p> <p>Scattered sites</p> <p>4 units for formerly homeless families referred by Pajaro Valley Shelter Services</p>	
				<p><u>Merrill Road Apartments</u> <u>13 PBV units</u></p> <p><u>3201 Merrill Road</u> <u>Aptos</u></p> <p><u>13 PBV units – date of placement on site-based waiting list</u></p>	
3	XVII	32-33	Project Based Voucher Program	<p><u>b) Non-Competitive PBV Selection Process</u></p> <p>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.</p> <p>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.</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 in order to retain affordability of these units.</p> <p><u>ii)</u> 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</p>	Implementation of MTW Waiver 9.c – Elimination of PBV Selection Process without Improvement, Development, or Replacement

Santa Cruz County Housing Choice Voucher Administrative Plan 2023

Overview of Modifications – September 20, 2023

Text underlined in blue is new

Text in ~~red strikethrough~~ is deleted

				<p>opportunities for existing voucher holders and special populations. The amendment is subject to all PBV requirements.</p> <p><u>ii) With its MTW authority approved by HUD, the Housing Authority eliminates the independent third-party selection process in the award of PBVs to properties owned or controlled by agency when the agency is not engaged in an initiative to improve, develop, or replace a public housing property or site.</u></p> <p>b) 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.</p>	
4	XVII	33	Project Based Voucher Program	<p>8. <u>Waiting List and Tenant Selection</u> For most Project Based Voucher sites, families will be offered assistance through the Project- Based Voucher (PBV) Program in the order of their random number sequence or lottery number of their application on the Housing Choice Voucher waiting list. Additionally, existing Housing Choice Voucher holders who are in the process of transferring may lease project-based units at developments that utilize the regular HCV waiting list. Some complexes have site-based waiting lists, as described in the Waiting List section above. When a Project-Based unit becomes available, the Housing Authority will send a letter to the top families in the HCV Waiting List or PBV site-based waiting list, as applicable. The letter will instruct interested families to contact the owner directly. <u>Additionally, specifically designated PBV properties may offer units to families through a referral process with a third-party agency. Eligible families referred through this method will be placed on a PBV waiting list for designated unit(s) at that property and receive an absolute preference. Such properties are listed in the table in Section I.</u></p>	Update language for clarity and consistency with Section I.

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.

August 16[September 20](#), 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~~ Selection of Families for Project-Based Voucher Units Developments

Project-Based Voucher sites may have separate site-based waiting lists, as listed below, or may utilize the combined Housing Choice Voucher waiting list. 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 uUnit in developments that utilize ~~a~~ the combined Housing Choice Voucher waiting list. ~~Such voucher holders will be given preference over waiting list applicants.~~ Specifically designated Project-Based Voucher properties may offer units through a referral process with a third-party agency. Eligible families referred through this method will be placed on a PBV waiting list for designated unit(s) at that property and receive an absolute preference. Such properties are listed in the table below.

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 <u>site-based</u> waiting list
<u>Resetar Residential Hotel</u> 53 PBV units	15 West Lake Avenue Watsonville	45 PBV units - date of placement on the <u>site-based</u> waiting list 8 HUD VASH PBV units - referrals from <u>the Department of Veterans Administration</u> Affairs

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 site-based waiting list 5 HUD VASH PBV units - referrals from the Department of Veterans Administration Affairs 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-site-based 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 from the Department of Veterans Administration Affairs 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

Merrill Road Apartments	3201 Merrill Road	13 PBV units – lottery number date of placement on
13 PBV units	Aptos	site-based waiting list

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 (MTW) administrative flexibilities that are not otherwise in conflict with the HUD-VASH Operating Requirements.

Family Unification Program / FUP (218 vouchers)

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

Family Unification vouchers are not issued based on placement on the Housing Choice Voucher waiting list. Instead, HSD provides referrals to the Housing Authority based on comprehensive risk assessment and FUP-eligibility determination. HSD will provide written certification to the Housing Authority that a family or a youth qualifies as a FUP-eligible family or youth. A family will be certified as eligible if it is determined that (1) the children are at imminent risk of placement in out-of-home care or at risk of

having their discharge to the family from out-of-home care delayed (2) the lack of adequate housing is a primary factor in the risk of placement or delay of discharge and (3) the family meets all other eligibility requirements for Section 8 assistance; youth will be certified as eligible by age, foster care history, and homelessness risk. Youth will also be identified through the county 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. 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 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 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 re-examination to be upsized or to have their payment standard updated.

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

Definition of a Temporary Family Member

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

Temporary Family Members Who Move in and out of the Unit

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

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

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

Definition of a Guest

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

Definition of When a Family Is Continuously Assisted

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

Standards for Denying Admission or Terminating Assistance

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

1. If the family violates any family obligations under the program as outlined under obligations of participant
2. If any member of the family has ever been evicted from public housing
3. If a housing authority has ever terminated assistance under the voucher program for any member of the family
4. If any member of the family commits drug-related criminal activity, or violent criminal activity, including conviction for manufacturing or producing Methamphetamine
5. If any member of the family commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program
6. If the family currently owes rent or other amounts to the Housing Authority or another housing authority in connection with Section 8 or public housing assistance under the 1937 Act
7. If the family has not reimbursed any housing authority for amounts paid to an owner under a Housing Assistance Payments (HAP) contract for rent, damages to the unit, or other amounts owed by the family under the lease
8. If the family breaches an agreement with the Housing Authority to pay amounts owed to a housing authority, or amounts paid to an owner by a housing authority
9. If the family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel
10. If any member of the household is subject to a lifetime sex offender registration requirement under a State sex offender program

11. If there is reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
12. If the Housing Authority determines that any household member is currently engaged in illegal use of a drug, or if a pattern of illegal drug use by a household member interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
13. If the Housing Authority determines that any family member has violated the family's obligation not to engage in any drug-related or violent criminal activity.
14. For a variety of criminal or drug-related activities as permitted under HUD regulations.
15. The Housing Authority will deny admission or terminate assistance for applicants or participants in violation of current applicable HUD rules and regulations or Housing Authority policy.
16. The Housing Authority will deny admission for applicants that do not meet the current applicable HUD eligibility requirements.

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

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

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

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

Specific steps include the following:

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

Actions to explain program requirements including equal opportunity to owners

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

Property Agent Incentive Programs

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

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

VI. Assisting a Family That Claims Illegal Discrimination

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

Specific steps include the following:

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

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

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

VII. Providing Information about a Family to Prospective Owners

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

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

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

VIII. Disapproval of Owners

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

IX. Subsidy Standards

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

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

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

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

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

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

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

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

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

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

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

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

Applicant Flexibility on Unit Size Actually Selected for Rental

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

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

X. Family Absence from Dwelling Units

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

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

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

Persons who may NOT receive the voucher

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

Persons who may receive the voucher

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

XII. [Informal Review Procedures for Applicants](#)

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

Notice to Applicant

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

Informal Review Process

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

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

When Informal Review Is Not Required

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

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

[XIII. Informal Hearing Procedures for Participants](#)

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

When Hearing Is Required

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

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

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

When Hearing Is Not Required

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

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

Expeditious Hearing Process

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

Discovery

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

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

Representation of Family, Recording of Hearing

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

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

Hearing Officer

The hearing may be conducted by any person or persons designated by the Executive Director, other than a person who made or approved the decision under review or a subordinate of this person. The person

who conducts the hearing may regulate the conduct of the hearing in accordance with the Housing Authority hearing procedures.

Evidence

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

Issuance of Decision

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

Effect of Decision

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

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

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

[XIV. The Process for Establishing and Revising Payment Standards](#)

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

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

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

Under MTW authority approved by HUD, the Housing Authority utilizes 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.

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.

5. Open Request for PBV Proposal

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

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.

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 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.

ii)iii) With its MTW authority approved by HUD, the Housing Authority eliminates the independent third-party selection process in the award of PBVs to properties owned or controlled by agency when the agency is not engaged in an initiative to improve, develop, or replace a public housing property or site.

~~e) 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.~~

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 waiting list, as applicable. The letter will instruct interested families to contact the owner directly. Additionally, specifically designated PBV properties may offer units to families through a referral process with a third-party agency. Eligible families referred through this method will be placed on a PBV waiting list for designated unit(s) at that property and receive an absolute preference. Such properties are listed in the table in Section I.

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.

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.

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 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

The Housing Authority will 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 HQS 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: September 20, 2023

ITEM NUMBER: 5A

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. At the August 2023 Meeting, the Board of Commissioners decided to postpone the Election of Officers until the September meeting in the hopes that Officers could be elected at a meeting with all Commissioners in attendance.

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: September 20, 2023

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Board Governance Models

RECOMMENDATION: Discuss Board Governance Models

BACKGROUND SUMMARY:

The Housing Authority Bylaws state that the Officers of the Board of Commissioners shall be elected at the annual meeting, which takes place every August. The Bylaws state that the Chair and Vice-Chair shall hold office for a one-year term, with no maximum number of terms. An excerpt from the Bylaws with information about Housing Authority Officers is provided below.

ARTICLE III - OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chair, a Vice Chair and an Executive Secretary who shall be the Executive Director.

Section 2. Chair. The Chair shall preside at all meetings of the Authority Board of Commissioners.

Section 3. Vice Chair. The Vice Chair shall perform the duties of the Chair in the absence or incapacity of the Chair; and in case of the resignation or death of the Chair, the Vice Chair shall perform such duties as are imposed on the Chair until such time as the Authority shall elect a new Chair.

Section 4. Secretary. The Secretary shall be the Executive Director of the Authority and is hereinafter referred to as the Executive Director. As Executive Director, they shall have general supervision over the administration of its business and affairs, subject to the direction of the Authority Board of Commissioners. They shall be charged with the administration of Authority programs and management of the housing projects of the Authority.

Section 5. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or these Bylaws or rules and regulations of the Authority.

Section 6. Election or Appointment. The Chair and Vice Chair shall be elected at the annual meeting of the Authority Board of Commissioners from among the Commissioners of the Authority, and shall hold office for one (1) year or until their successors are elected and qualified.

Section 7. Vacancies. Should the offices of Chair or Vice Chair become vacant, the Authority Board of Commissioners shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office.

During the August 2023 meeting, a member of the Board of Commissioners asked if the Board had considered any other Board Governance models, noting that some models that include a rotation of officers are associated with a greater level of diversity and representation of Board leadership which can benefit the Board and the Agency, and which also provide leadership development opportunities for Board members. The Housing Authority has not considered changes to our Board governance model in many years. Regular review of governing policies is considered a best practice, and therefore our Board governance model merits thoughtful consideration. The information presented below is intended to provide the Board with examples of other common Board governance models, with information about advantages and disadvantages of these models.

Roles and Responsibilities of Board Officers

The excerpt from Housing Authority Bylaws above provides limited information about the roles and responsibilities of Board officers. The role of the Board Chair and Vice-Chair also include the following:

Board Chair

- Preside over Board meetings, set the tone for Board meetings and discussions, and ensure efficient and productive discussions
- Coordinate with Agency Staff on Board meeting agendas as needed, ensuring key topics are addressed
- Facilitate Executive Director performance evaluation and/or lead the process for recruitment and selection of Executive Director as needed
- Ensure the Board operates within Agency Bylaws
- Ensure the Board's actions are in compliance with the Brown Act and applicable laws and ethical standards

Vice-Chair

- Assist the Chair in their duties and preside over meetings in their absence
- Support the Chair in maintaining order during meetings and guiding discussions

Board Governance Models

1. Term Limits of Leadership Roles – This model establishes term limits for the Chair and Vice-Chair positions. Term limits may be established for any period of time, often ranging from two to four consecutive years. Term limits for leadership roles are very common and reflect industry norms. Term limits can limit the influence of any one member of a group and prevent stagnation, as well as resulting in more equitable distribution of leadership opportunities and skill development compared to board governance models without term limits. However, if

term limits are brief, this can result in instability with frequent changes in leadership which can disrupt continuity in decision making.

2. Rotation of Leadership Roles – This model rotates the Chair and Vice-Chair position among all members of a Board. Rotations can be structured in many ways, including approaches that rotate based on seniority or board tenure or any other fixed schedule. Additionally, terms can be established for any length of time between rotations. Like term limits, rotation of leadership roles is associated with more equitable distribution of leadership opportunities and skill development. A leadership rotation can encourage a greater sense of shared responsibility and collective decision making and can provide all board members with a deeper understanding of the organization. However, like term limits, if the terms are brief, frequent rotations can result in instability. Some Board members may not be interested in serving as Chair or Vice-Chair, and those Board members may be permitted to decline their turn. Governance models utilizing a rotation are rigid, and do not allow for deviation. Finally, having a Chair or Vice-Chair that is actively interested in serving or has been nominated by fellow board members may result in a higher level of engagement than having a Chair or Vice-Chair that is “assigned” the role through a rotation.

Leadership Development

In addition to changes in board governance models, there are other ways an organization can promote leadership development and invest in a board’s continuous improvement. Housing Authority staff plan to expand the training opportunities available to the Board, including training on the Brown Act, as well as trainings offered by the National Association of Housing and Redevelopment Officials (NAHRO) which include trainings specifically tailored for Housing Authority Commissioners. Participating in these training opportunities can help all board members engage more deeply in Agency matters and position board members for leadership opportunities.

RECOMMENDATION: Discuss Board Governance Models

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ



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

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

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

Meeting Date: August 22, 2023

Recommended Action(s):

- 1) Accept nomination of Silvia Morales for reappointment to the Housing Authority Board of Commissioners, as an at-large representative, in accordance with Resolution No. 389-69, for a term to expire September 1, 2027; and
- 2) Return for final appointment on September 12, 2023.

Executive Summary

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

Background

Silvia Morales has been nominated to serve as an at-large representative, with final appointment to be considered on September 12, 2023.

Submitted by:

Zach Friend, Chair, Board of Supervisors

Attachments:

Letter from the Housing Authority Board of Commissioners - Silvia Morales

APPOINTED
9/12/23

AGENDA ITEM SUMMARY

MEETING DATE: September 20, 2023

ITEM NUMBER: 8

FROM: Exec. Director; Deputy Exec. Director

SUBJECT: Director's Report – September 20, 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 September 20, 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. On September 12, 2023, the concrete pour for the foundation was completed. The foundation requires 7 days for curing before framing work can commence. Bogard coordinated with Toadal Fitness to use their parking lot for crane placement and delivery of the wood framing materials. Underground utility is scheduled to begin at the end of September or early October. Interior electrical work for the first floor may begin mid-October, while framing for the second and third floor is being completed. The project has experienced a scheduling delay due to the need to bring in dirt fill to mitigate the saturated fill on site, and the need to revise the architectural drawings due to a conflict with elevations of the trash enclosure. Bogard agreed to a non-cost extension. New Horizons is also working with PG&E to finalize the transformer specifications and PG&E is estimating at least 12 months for delivery and installation. The Housing Authority and Bogard are committed to preventing scheduling delays and will work closely with PG&E to expedite the transformer delivery and installations. Tenant occupancy is scheduled for August 2024.

Tierra Alta Rent Restructuring – In April 2022, the Board of Commissioners approved a rent restructuring plan for Tierra Alta which included implementing an income-based rent structure in which the tenants rent share would be based on 30% of the household income. Subsequently the Housing Authority engaged with General Counsel to confirm requirements related to tenant protection laws related to changes in contract rents, required deed and land use restrictions, and terms of the USDA grant agreement which included confirming the definition of domestic farm laborer. During this process the Housing Authority was informed by the USDA that certain provisions of the grant agreement are effective in perpetuity for the life of the building, and that the property must provide housing for “domestic” farm workers. In seeking clarification on the definition of “domestic” farm workers the Housing Authority learned that this requires a modification of intended tenant selection process in which we must continue to house families in which a household member is a US citizen or is legally admitted to the US for permanent residency.

The Housing Authority has also been working with the California Department of Housing and Community Development (HCD) and Stanislaus Regional Housing Authority to finalize the MOU for maintenance and rehabilitation of the wastewater treatment system. Tierra Alta shares use of a wastewater treatment system and a domestic well water treatment system with the Buena Vista Migrant Center which is the adjacent property owned by the State (HCD) but managed by Stanislaus Regional Housing Authority. The facility is in urgent need of repairs and all three parties are actively working to finalize the MOU cost sharing agreement to proceed with the critical repairs. The project cost estimate is \$5.2M with 30% of the operating and rehabilitation costs will be covered by the Housing Authority with the remaining 70% covered by HCD. Stanislaus will administer the rehabilitation work and will receive 5% administrative fee for project management. The project is scheduled to occur in four phases.

Due to the high cost of rehabilitating the wastewater treatment system the Housing Authority is revisiting the rent restructuring plans. The Housing Authority is in consultation with Special Counsel and is exploring opportunities to support the property either through MTW funds, PBV vouchers, and/or HUD's Rental Assistance Demonstration program. The Housing Authority is currently reviewing funding source requirements which include but are not limited to application requirements, long-term agreements associated with funding sources, and other regulatory requirements. The Housing Authority is confident that one of these funding sources will be a viable option to ensure the property remains affordable housing for farm workers and is financially stable for the Housing Authority. The Housing Authority expects to provide the Board of Commissioners with an update at the October meeting.

Bike Giveaway Event – New Horizons held the second bike giveaway event on August 26, 2023, at Crestview Apartments. The bike giveaway is the result of a partnership with the Community Bike Collective (CBC), a community-based non-profit that connects local underserved youth, families and community members to the joys of bike riding. All Crestview households were given the opportunity to request a bike in advance or receive a bike on a first come first served basis. Residents were excited to test ride bikes and receive the bike of their choosing. The two-hour event resulted in 18 bikes, helmets and an assortment of bike gear being given away to the Crestview residents. The Housing Authority and the Community Bike Collective look forward to continuing their partnership and plan to host the next giveaway in 2024.

Fair Market Rents (FMRs) Released – On September 1, HUD issued new Fair Market Rents to all counties and metropolitan areas nationwide. The FMR study we submitted was accepted by HUD and resulted in increases of approximately 23% for Santa Cruz County, and approximately 17% for San Benito County. The FMR increases will allow us to 1) update payment standards, making sure they keep up with market rents, 2) reduce rent burdens of program participants, and 3) continue voucher issuance and achieve full HCV utilization. Given our new MTW designation, this will also result in additional MTW funding that can be used for affordable housing development. The Housing Authority of the County of Santa Cruz remains among only about a dozen housing authorities nationally that conduct their own FMR study, and once again we are the only housing authority in the nation that submits a study pre-emptively (in advance of publication of HUD FMRs) which allows us to benefit from the adjustment to our funding sooner. We won't know our inflation funding factor for several months, but we are certain that this large FMR increase will result in a significant funding increase.

AB 653 – Federal Housing Voucher Acceleration Program: In May, staff provided the Board with information about Assembly Bill 653, introduced by Assemblymember Reyes. AB 653 proposes to establish a Federal Housing Voucher Acceleration Program, which would require that ALL housing authorities report key voucher management data to the State’s Department of Housing and Community Development (HCD), and would also require ALL housing authorities to take certain actions and establish certain policies if voucher success rates are below 60%. The California Association of Housing Authorities (CAHA) has significant concerns with the proposed legislation as written and has been engaging with the bill’s authors and sponsors over the past several months. Fortunately, CAHA has been successful in getting the bill’s authors to position this as a two-year bill, which means the bill will not advance this year. The bill’s authors have agreed to work with CAHA over the next year in the hopes of developing a version of the bill that housing authorities can support.

Miles Lane Wall Raising – MidPen Housing will be hosting a Wall Raising event to celebrate construction of their 72-unit affordable housing project at 139 Miles Lane in Watsonville. The project includes 42 Project Based Voucher units, including 25 units for top applicants from the Housing Choice Voucher waiting list, 12 supportive services units for farmworkers, and 6 units for persons experiencing homelessness. The event is scheduled to take place on Tuesday October 3rd, from 11am – 12pm.

Agency Report – Housing Authority staff are working on preparing an Agency Report, with a goal of developing professionally produced materials to highlight our work, to distribute and discuss with key stakeholders including elected officials, community leaders, landlords, members of the public, and program families. Staff intend to utilize a theme of metamorphosis and transformation throughout the report, highlighting changes that include MTW designation, programs that support economic mobility, affordable housing development, and how we are re-imagining our role in the community. As we develop the content and design of the report, we will get information and recommendations from a marketing and branding consultant. Staff anticipate that the report will be completed in early 2024.

Appropriations and HUD Budget Update – Over the past month, Congress has been in summer recess, with no significant progress made towards appropriations. With Labor Day behind us, members of Congress are returning to Washington DC and to discussions related to the federal budget.

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.