### HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA OF THE REGULAR BOARD MEETING

### June 26, 2024 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 Providence Martinez

4 year term expires, February 10, 2027

Alaniz

Commissioner Carol Berg

4 year term expires, May 21, 2025

Commissioner Ligaya Eligio

2 year term expires, October 18, 2024

Commissioner Annette Melendrez

4 year term expires, September 29, 2027

Commissioner Silvia Morales 4 year term 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 May 22, 2024

Motion to Approve

B. <u>Delegate Authority to the Executive Director to Execute a Contract with Bay Building Janitorial</u>

Motion to Delegate Authority to the Executive Director to Execute a Contract with with Bay Building Janitorial

C. Cancellation of the July 24, 2024 Meeting

Motion to Approve Cancellation of the July 24, 2024 Meeting

- 4. Oral Communications (All oral communications must be directed to an item <u>not</u> listed on this agenda and must be within the jurisdiction of the Board. Presentations must not exceed three minutes in length. The Board will not take action or respond immediately to any Oral Communication presented, but may choose to follow up at a later time or schedule item for a subsequent agenda. The Board may limit the total amount of time allowed for oral communication). Anyone addressing the Board of Commissioners is asked to complete a card and leave it with the Board secretary so that their names may be accurately recorded in the Minutes.
- 5. Unfinished Business
- 6. New Business
  - A. Mural Artist and Conceptual Design

Motion to Approve Conceptual Mural Design and Delegate Authority to the Executive Director to Execute a Contract with Taylor Reinhold for mural on perimeter wall at 415 Natural Bridges Drive

B. <u>Housing Authority and New Horizons Affordable Housing and Development Resources and Strategy</u>

Receive Report; Motion to Adopt Resolution No. 2024-04 to Approve New Salary Schedule with addition of Development Director Position, and Establish Subcommittee to Evaluate Acquisition and Development Opportunities

C. Housing Authority Annual Agency Goals

Motion to Approve Annual Agency Goals for Housing Authority

D. Housing Authority Equity Report Card and Action Plan

Receive Report; Motion to Adopt Equity Goals

- 7. Written Correspondence
- 8. Director's Report
- 9. Reports from Board Members (Board members may report on meetings attended, if any, or other items of interest.)
- 10. Closed Session
  - A. Executive Director Contract Extension

Motion to Approve Short-Term Extension of Executive Director Contract

- 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 11:01 a.m. Members present Chairperson Schiffrin, Vice Chairperson Martinez Alaniz, Commissioners Berg, Eligio, Melendrez, and Schmale

### **Members Absent**

Commissioner Morales (excused)

### **Staff Present**

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

AGENDA ITEM NO. 2 Consideration of Late Additions or Changes to the Agenda None.

### AGENDA ITEM NO. 3 Consent Agenda

Chairperson Schiffrin asked for a motion to approve the Consent Agenda 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 would like to pull Agenda Item 3D. Salary Compensation Study.

Chairperson Schiffrin has questions for staff on <u>Agenda Item 3C</u>. <u>Personnel Policies and Procedure</u> but did not pull the Agenda Item. Secretary Panetta introduced Administrative Services Director Kathleen Kiyabu. A discussion followed. Chairperson Schiffrin proposed wording changes on page 20 under Confidentiality. Staff will change last sentence to read "Except when permitted by applicable laws, unauthorized release of or discussion about client information within or outside the Authority is considered grounds for discipline up to and including dismissal." Staff will take the Boards direction.

Commissioner Martinez Alaniz moved for the approval of the Consent Agenda as amended; Commissioner Melendrez seconded the motion and it as passed by the following vote:

AYES: Commissioners Berg, Eligio, Martinez Alaniz, Melendrez, Schiffrin and Schmale

NOES: None

ABSENT: Commissioner Morales

ABSTAIN: None

Agenda Item 3A. Approved Minutes of the Regular Meeting held March 27, 2024

Agenda Item 3B. Approved to Delegate Authority to the Executive Director to Execute a Contract with Jamie Kinney Consulting

Agenda Item 3C. Approved Revisions to Personnel Policies and Procedures with sentence change

Agenda Item 3D. Pulled from the Consent Agenda it will now be Agenda Item 6A. under New Business

Agenda Item 3E. Received Report Housing Authority Fiscal Year 2023/2024 Agency Goals – Quarter 3 Report

### AGENDA ITEM NO. 4 Oral Communications

None.

### **AGENDA ITEM NO. 5A** Unfinished Business

None.

### **AGENDA ITEM NO. 6A** Salary Compensation Study (previously Agenda Item 3D)

Secretary Panetta informed the Board of Commissioners that the Housing Authority's Personnel Policies states that the Agency will conduct a compensation study at least every 5 years and the results of the study will be made available to the Board and all staff. Secretary Panetta informed the Board that the recommended action for this item simply to receive the report provided by the consultant. Implementation of the report findings is included in the staff recommendation for Agenda Item 6B Adopting the Fiscal Year 2024-2025 Agency Budget. Secretary Panetta informed the Board that for this agenda item, staff would like to focus on a discussion of the methodology of the study. Secretary Panetta informed the Board that the study was started earlier then usual due to the rapid increases in cost of living and challenges in recruiting and retaining staff in recent years along with a commitment to maintain competitive salaries aligned with market standards. Secretary Panetta introduced Administrative Services Director Kiyabu who conducted a Power Point presentation for the Board of Commissioners that explained the methodology behind the Salary Compensation Study. A discussion followed on the implementation of the study.

Commissioner Martinez Alaniz moved to Receive the Salary Compensation Study; Commissioner Melendrez seconded the motion and it as passed by the following vote:

AYES: Commissioners Berg, Eligio, Martinez Alaniz, Melendrez, Schiffrin and Schmale

NOES: None

ABSENT: Commissioner Morales

ABSTAIN: None

Administrative Services Director Kiyabu exited the Board Meeting at 11:55 a.m. with thanks from the

Board of Commissioners and staff.

### AGENDA ITEM NO. 6B Agency Budget for FY 2024-2025 (previously Agenda Item 6A)

Finance Director Pomeroy presented the Commissioners with the proposed Agency Budget for FY 2024-2025. Director Pomeroy stated that of the agency's five program groups (Section 8, Federal Housing, Federal Grants, Local Programs, and Business Activities), none of the programs have anticipated budget deficits for the coming year. Director Pomeroy emphasized that this is a positive sign for the agency's revenue sources to align with each program's financial need since surplus funding is generally restricted for the sole benefit of the given program and cannot be used to supplement funding deficits in other programs with the exception of Moving-to-Work (MTW) fungibility. Chairperson Schiffrin requested that another column be added to the left of the Projected Actuals for the current year's approved budget figures. Staff will take the Boards direction for future budgets.

Finance Director Pomeroy informed the Board that the Agency is in a favorable financial position to bring staff salaries in line with the market median levels at comparator agencies. As a result, the budget proposal includes full implementation of the salary recommendations in the completed Salary Compensation Study. A discussion followed. Some members of the Board suggested an approach that would implement the recommended increases gradually over time, rather than a full implementation. Additionally, Board members expressed concerns that the proposed salaries could drive up salaries for other local agencies. Staff emphasized that the study was conducted early in response to staff concerns related to their salaries keeping pace with inflation and with other comparable positions. Staff noted that the Agency has experienced higher than usual staff turnover, and that it has been difficult to fill key positions over the past few years. Finally, staff emphasized that given the recommendation from the consultant, and given our favorable budgetary position, that implementing the study will demonstrate to staff that the Agency is making efforts to keep salaries competitive, which will help support both employee retention and help fill key positions going forward. The Board noted that full implementation of the compensation study would impact the magnitude of compensation increases in subsequent years.

Commissioner Martinez Alaniz made a motion to Adopt Resolution 2024-03: Adopting the Fiscal Year 2024-2025 Agency Budget; Commissioner Berg seconded the motion and it as passed by the following vote:

AYES: Commissioners Berg, Eligio, Martinez Alaniz, Melendrez, Schiffrin and Schmale

NOES: None

ABSENT: Commissioner Morales

ABSTAIN: None

AGENDA ITEM NO. 7 Written Correspondence

None.

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

Deputy Executive Director Graham updated the Board on the progress of the Natural Bridges Apartments. Tenant Occupancy is scheduled for Fall of 2024.

Deputy Executive Director Graham informed the Board that on April 25, New Horizons issued a Call to Artists for a mural at Natural Bridges Apartments. Artist submissions were due Monday, May 20, and interviews with the two semi-finalists is tentatively scheduled for Friday, May 24. A discussion followed. The Board of Commissioners directed staff to bring the staff selection regarding the mural artist to the Board for approval. Additionally, the Board requested to receive the submissions from the two semi-finalists. Staff will follow the Boards direction.

Executive Director Panetta reminded the Board of the National Association of Housing and Redevelopment Officials (NAHRO) Pacific Southwest Regional Conference (PSWRC) taking place in San Jose, May  $28 - 30^{th}$  if the Commissioners are interested in attending.

Executive Director Panetta reminded the Board that May is Affordable Housing Month, and informed the Board of the events the Housing Authority hosted or co-hosted and events staff attended.

Executive Director Panetta reminded the Board of Commissioners of the April 25<sup>th</sup> Brown Act training that occurred, and shared that a recording of the training is available to anyone who was not able to attend.

Executive Director Panetta gave the Board a legislative update.

AGENDA ITEM NO. 9 Reports from Board Members

None.

AGENDA ITEM NO. 10 Closed Session

None.

AGENDA ITEM NO. 11 Report on Closed Session

None.

AGENDA ITEM NO. 12 Adjournment

| The Board of Commissioners meeting was adj   | journed at 1:16 p.m.                                   |
|--|--|
| I hereby certify that these minutes were appro<br>Santa Cruz, on the Twenty Sixth Day of June, | oved by the Housing Authority of the County of , 2024. |
|  | Chairperson of the Authority                           |
| ATTEST:  |  |
| Secretary  |  |

MEETING DATE: June 26, 2024 ITEM NUMBER: 3B

FROM: Executive Director

**SUBJECT:** Janitorial Services Contract

**RECOMMENDATION:** Delegate Authority to the Executive Director to Execute a Contract with Bay Building Janitorial

#### **BACKGROUND SUMMARY:**

In May 2024, the Housing Authority of the County of Santa Cruz issued a Request for Proposals (RFP) for Janitorial Services for a qualified janitorial contractor to provide professional janitorial services to the Housing Authority offices and owned properties.

The evaluation panel consisted of three members from the Housing Authority management team to review and score each proposal. Three contractors submitted proposals for review. Qualified contractors were required to have five years of experience janitorial services to commercial properties.

Bay Building Janitorial, the selected proposal received the top score among the three responses. Bay Building Janitorial has extensive experience providing janitorial services to public agencies, including HACSC, which includes experience servicing Housing Authority offices and owned properties.

This contract is primarily for janitorial services at Housing Authority offices and sites, and additional on-demand services may be provided based on the needs of the Housing Authority. Additional services, provided at an hourly rate, include material hauling for disposition, office furniture assembly, and unit turn services.

The maximum compensation limit of the contract is \$437,560 with a term of five years.

**RECOMMENDATION:** Delegate Authority to the Executive Director to Execute a Contract with Bay Building Janitorial

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

MEETING DATE: June 26, 2024 ITEM NUMBER: 3C

**FROM:** Executive Director

**SUBJECT:** Cancellation of the July 24, 2024 Meeting

**RECOMMENDATION:** Approve Cancellation of the July 24, 2024 Meeting

### **BACKGROUND SUMMARY:**

Typically, the Housing Authority Board of Commissioners does not hold a meeting in July or November. Therefore, staff proposes that the Board cancel the meeting set for July 24, 2024.

**RECOMMENDATION:** Approve Cancellation of July 24, 2024 Meeting

MEETING DATE: June 26, 2024 ITEM NUMBER: 6A

FROM: Executive Director

**SUBJECT:** Mural Artist and Conceptual Design

**RECOMMENDATION:** Approve Conceptual Mural Design and Delegate Authority to the Executive Director to Execute a Contract with Taylor Reinhold for mural on perimeter wall at 415 Natural Bridges Drive

### **BACKGROUND SUMMARY:**

The Housing Authority and New Horizons released a Call to Artists on Thursday, April 25, 2024, to solicit proposals from artists to paint a mural on the perimeter wall of the Natural Bridges Apartment project. The wall is approximately 7 feet tall and 118 feet wide. The Call to Artists included recommended design elements for the mural such as birds, the proximity to Natural Bridges State Park, the Pacific Ocean, and the project's location along the migratory route of Monarch butterflies. The mural is expected to be relevant to the community of Santa Cruz and to reflect themes of growth, transformation, and metamorphosis to symbolize the Housing Authority's transformation beyond rental assistance and into the realms of new housing construction and the provision of resident services, using housing as a platform to improve quality of life.

The evaluation panel consisted of four members from the Housing Authority management team to review and score each proposal. Eight artists submitted proposals for review. Proposals were scored based on the following criteria as outlined in the procurement: 1) completeness of application, 2) public art experience, 3) relevant portfolio and topical experience, 4) proposal narrative, 5) materials, 6) aesthetic appeal, and 7) cost. The scoring rubric included local preference multiplier for Santa Cruz County based business and Santa Cruz County residents.

The proposal with the highest score was submitted by Taylor Reinhold. Taylor is a local artist based in Santa Cruz County. Taylor's portfolio of work includes murals throughout Santa Cruz County and the greater Bay Area, and he was the Project Director for Sea Walls Santa Cruz in 2021 and Clean Oceans Mission Street Project in 2019.

Taylor's proposed concept art for the Natural Bridges Apartment mural incorporates elements of nature such as native floral, birds, monarch butterflies, and the historic Mark Abbot Memorial Lighthouse. If the staff selection is approved by the Board, Taylor is willing to work with staff to finalize the mural design based on feedback from staff and from the Board, and is also willing and

available to increase the project scope to include both sides of perimeter wall.

The Staff recommendation is for the Board of Commissioners to approve the selection of Taylor Reinhold, delegating authority to the Executive Director to enter into a contract with the selected artist. Staff plan to submit an application to the Santa Cruz City Arts Commission for review on August 14, 2024, through the matching grant program to assist in funding the mural project. The review panel will review the application to consider artistic merit, scale, feasibility, graffiti mitigation, public accessibility, and whether the project supports the vision, mission and values of the Santa Cruz Arts Commission. The mural design and concept must be finalized for presentation at the Santa Cruz Arts Commission meeting. Therefore, Staff further recommend that the Board approve the conceptual mural design and provide feedback on the design at the June Board of Commissioners meeting. Staff would then work with the artist to finalize the design to prepare for presentation to the Arts Commission. If the Board of Commissioners wishes to approve the final mural design before submission to the Arts Commission, then a Special Board meeting will be required in order to adhere with our timeline.

The maximum compensation of the contract is \$70,526. The contract will include the painting of a mural on both sides of the perimeter wall. The installation is expected to take 4 to 6 weeks with a tentative start on September 3, 2024.

Taylor Reinhold will be present at the June meeting to provide the Board of Commissioners with a presentation to include examples from his portfolio of work, the proposed conceptual mural design for the Natural Bridge Apartment project, and to address any feedback and questions from the Board of Commissioners.

**RECOMMENDATION:** Approve Conceptual Mural Design and Delegate Authority to the Executive Director to Execute a Contract with Taylor Reinhold for mural on perimeter wall at 415 Natural Bridges Drive.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ





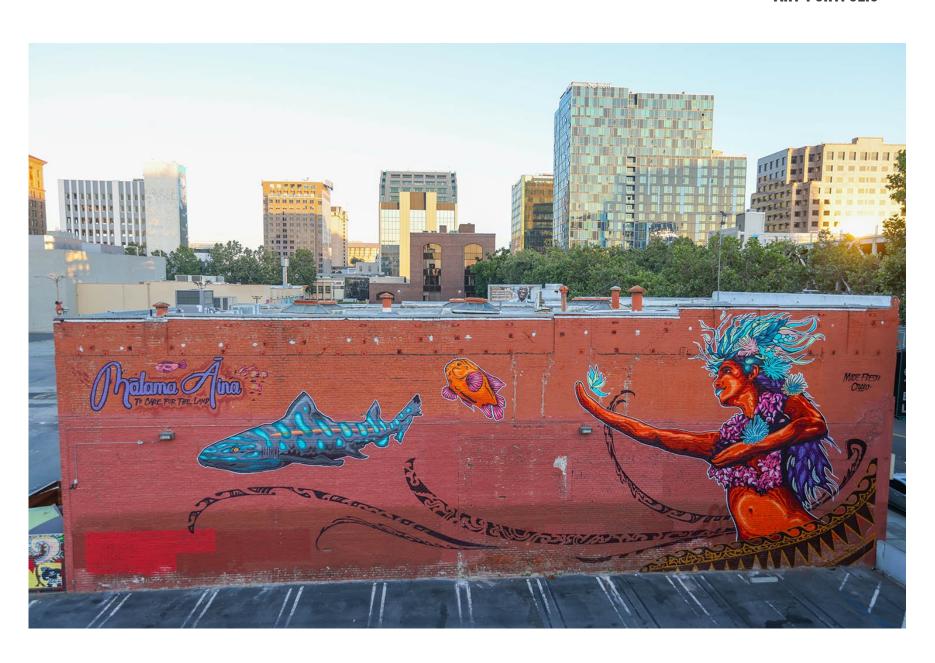
### HIGHWAY 152

400 FT LONG MURAL WATSONVILLE 2023



# PONO HAWAIIAN GRILL

DOWNTOWN SAN JOSE 2023



# CEDAR ST. APARTMENTS

DOWNTOWN SANTA CRUZ 2023



### M.K. CONTEMPORARY ART

DOWNTOWN SANTA CRUZ 2022







# WELCOME TO RIO

RIO DEL MAR FLATS 2023





### CLEAN OCEANS MISSION ST MURAL

MISSION & BAY AVE.

Project Director for the largest mural in Santa Cruz history, a 700ft long mural along Mission Street. This was a community-funded project with additional help from a Santa Cruz City art grant.

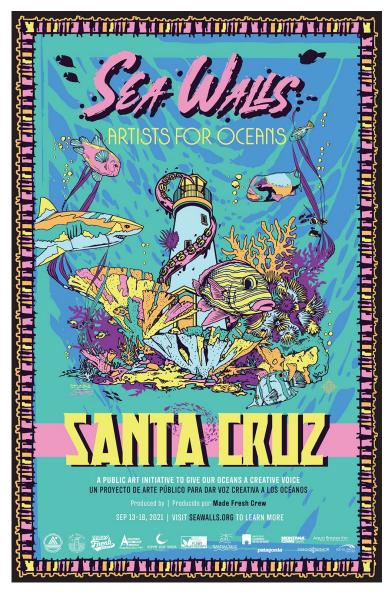
The mission is to raise awareness about the negative effect of plastic pollution in our oceans and promote clean oceans.

Find this mural at Mission Street & Bay Avenue in Santa Cruz, CA.

### **SEA WALLS SANTA CRUZ**

Project Director for Sea Walls Santa Cruz in September 2021.

- 21 ocean conservation-themed murals in Santa Cruz.
- 25 artists from of Santa Cruz, California, and around the nation.
- The large-scale artworks speak to locally relevant, pressing marine environmental issues such as plastic pollution, ocean acidification, warming seas, local biodiversity loss, & environmental justice.
- The mission is to empower individuals and communities to create meaningful environmental change.







## NATURAL MOTIONS CREATIONS

**LIVE OAK** 



# POLY (PLANTRONICS)

**SANTA CRUZ OFFICE BUILDING** 





**MURAL PROPOSAL** 

### PROPOSED MURAL CONCEPTS

- > The migration of birds in Natural Bridges State Park inspires this piece.
- > Feature birds: Bewick's wren, dark-eyed juncos, oak titmouse, & the Townsend's warbler.
- > Branches and nesting sites for many species of birds and pollinators like bees, as well as local flora, are some of my favorite concepts to explore.
- > Mark Abbot lighthouse, Lighthouse Field



### PROPOSED MURAL DESIGN



### **CLOSE UP LEFT SIDE**



### **CLOSE UP MIDDLE**



### **CLOSE UP RIGHT SIDE**





**COMMENTS? QUESTIONS?** 

# THANK YOU!

View more murals and art at taylorreinhold.com/murals



MEETING DATE: June 26, 2024 ITEM NUMBER: 6B

FROM: Executive Director

**SUBJECT:** Housing Authority and New Horizons Affordable Housing and Development Resources

and Strategy

**RECOMMENDATION:** Receive Report; Adopt Resolution No 2024-04 to Approve New Salary Schedule with addition of Development Director Position, and Establish Subcommittee to Evaluate Acquisition and Development Opportunities

### **BACKGROUND SUMMARY:**

The purpose of this staff report is to outline next steps for The Housing Authority of the County of Santa Cruz (Housing Authority) and New Horizons Affordable Housing and Development (New Horizons) to engage in real estate acquisition and development activities. This staff report will provide an overview of financial resources, strategies to increase agency capacity to assist with development activities, and the recommendation for the Board of Commissioners to establish a subcommittee to evaluate acquisition and development opportunities.

Staff have identified the following strategies and goals associated with acquisition and development:

- 1. Optimize MTW designation to increase our funding baseline, accumulate a reserve balance, avoid HUD recapture, and leverage funds in accordance with HUD cost control measures which include but are not limited to Local Non-Traditional (LNT) activities and Total Development Costs (TDC).
- 2. Manage and preserve New Horizons surplus to supplement the use of MTW funds and/or to mitigate HUD cost control measures and other federal restrictions.
- 3. Increase agency capacity to facilitate development activities through issuing a Request for Qualifications for consulting services and/or establishing a Development Director position within the Housing Authority.
- 4. Issue a Request for Proposals or other procurement to enter a co-development partnership with existing affordable housing developers to develop new affordable housing and obtain Low Income Housing Tax Credit (LIHTC) experience required to apply for future tax credits for our own projects.

Items 1 and 2 are ongoing strategies related to financial management, while items 3 and 4 are short-term goals included in this year's Agency Annual Goals to increase the development knowledge, experience,

and capacity within the agency.

### Overview of Resources Available for Development

The following section outlines the financial resources available for development which include the anticipated calendar year 2024 reserve balances and an overview of requirements, restrictions and limitations associated with the use of the funds.

The table below summarizes the funding available for development related uses in calendar year 2024.

| Funding Source                 | CY 2024 Development Funding |  |  |  |
|--------------------------------|-----------------------------|--|--|--|
| MTW Reserves                   | \$7 - \$14 million*         |  |  |  |
| MTW Set-Aside Funding          | \$10.5 million**            |  |  |  |
| Former Public Housing Reserves | \$6.2 million               |  |  |  |
| New Horizons Reserves          | \$15 million                |  |  |  |
| Total                          | \$38.7 - \$45.7 million     |  |  |  |

<sup>\*</sup>The range for MTW reserves is a result of a pending request for reallocation of prior year MTW reserve funds following HUD's recent award of the MTW set-aside funds

#### **MTW Reserves**

MTW reserves are the balance of MTW renewal funding after the agency has accounted for HAP and non-HAP expenses, and other program costs. Staff estimate \$7M to \$14M will be available for development activities through MTW reserves. The range is a result of pending request for reallocation of prior year MTW reserve funds following HUD's award of the MTW set-aside funds. These funds are included in the agency HAP renewal funding.

The use of these funds should factor the following:

1. Renewal funding formula: Each year the HAP budget is calculated by HUD based on the lower of (1) the HAP Renewal Eligibility Cap or (2) the MTW agency's actual total combined HAP and non-HAP MTW expenses adjusted by the RFIF and any national proration factor is then used to determine the MTW agency's calendar year renewal funding.

The renewal funding formula sets a limit in which the 'lower of' calculation presents a situation in which additional calendar year expenses will not increase the subsequent baseline funding, and the Housing Authority may determine it is more financial advantageous for these funds to be allocated as MTW reserves which can be used for development activities.

<sup>\*\*</sup>The MTW set-aside funds must be spent on Natural Bridges development costs

For more information on the renewal funding formal please refer to *Attachment I - Moving-to-Work (MTW) Non-HAP Expenses and MTW Reserves*.

- 2. MTW Reserve Recapture: HUD may recapture MTW reserve funds that exceed a defined threshold, that have not been committed, obligated or expended by the Housing Authority. As the Housing Authority accumulates an MTW reserve balance, it is important that the balance of uncommitted and unobligated funds does not exceed the HUD recapture threshold. Exceeding the recapture threshold for an extended period of time jeopardizes these funds, and the amount in excess of the threshold may be subject to recapture.
- 3. Local Non-Traditional: The Housing Authority is currently authorized to expend up to 10% of the annual HAP budget on Local Non-Traditional (LNT) activities such as development under MTW waiver flexibilities. The Housing Authority has a pending MTW waiver request though the 2024 MTW Supplement that is currently under review by HUD to increase the LNT limit to 20% of HAP budget. HUD requires that the use of MTW funds for LNT activities does not reduce the number of families leased through the voucher program. The Housing Authority's Fair Market Rent studies position the agency to sustain high voucher leasing rates while also allocating funds that can be used for LNT activities.
- 4. Todal Development Costs: HUD imposes cost control measures to limit the amount of MTW funds the Housing Authority can spend on a per unit basis when developing affordable housing. These limits are comprised of both soft and hard costs of construction. The current TDC in Santa Cruz County for a 2-bedroom unit in a mid-rise walkup building is \$357,805. The TDC limit is significantly lower than the actual cost for housing production in Santa Cruz County. The Housing Authority is actively engaged with HUD on seeking an MTW waiver to establish alternative reasonable cost limits.

### Moving-to-Work (MTW) Set-Aside Funding

Just this month, HUD announced the approval of our \$10.5 million set-aside funding request originally submitted in June 2023 for Natural Bridges. These funds were awarded exclusively for use at Natural Bridges and are available on a one-time basis. Together with the \$500,000 of congressional earmarks from the Community Project Funding, this will cover the full cost of Natural Bridges, including the land acquisition and construction. This set-aside award should allow for the transfer of approximately \$7M to our MTW reserves balance.

### **Former Public Housing Reserves**

Following the conversion of the 234 public housing units through a Section 22 Streamlined Voluntary Conversion, there remains roughly \$7.3 million of public housing program reserves. HUD regulations

permit the use of former public housing program reserves to satisfy remaining program obligations. As a result, roughly \$1.1 million of that remaining reserve balance will be expended to close out the public housing program's proportionate share of the unfunded pension and Other Post Retirement Benefits (OPEB) obligations. For the remaining \$6.2 million reserve balance, the 2016 MTW Expansion Statute does not expressly authorize accumulated reserves to be used in accordance with the typical MTW fungibility guidelines, meaning the public housing reserves funds must be used for their originally appropriated purposes and cannot be used flexibly, such as for development activity. However, Congress typically renews language in the annual Appropriations Act which grants MTW expansion agencies the ability to use any previously appropriated public housing reserve funds in a flexible manner, including for development purposes. HUD cautions that this flexibility may not continue in future years. As a result, there is a risk of losing this funding flexibility with the remaining \$6.2 million of former public housing reserves if Congress does not include this language in next year's Appropriations Act.

#### **New Horizons Reserves**

Following the conversion of the 234 public housing units through a Section 22 Streamlined Voluntary Conversion, the ownership of those properties was conveyed to New Horizons. The rental income proceeds from these former public housing properties under New Horizons' ownership generates a surplus of \$5-6 million each year in addition to the accumulated New Horizons reserve balance of over \$15 million. These funds are fully unrestricted, non-federal, and free from timing and use constraints. The unrestricted nature of these funds are unique from the previous funding categories listed above, and provides the agency with greater flexibility. Therefore, it would be advantageous to preserve these flexible and unrestricted funds, using them only for costs that cannot be covered by more restrictive funding sources. As our portfolio of units increases with new developments, we could reasonably expect the surplus of funds to increase through additional rental revenue received by New Horizons.

### **Prioritizing Use of Funding Sources**

In any given year, the funding sources detailed above must be analyzed in the context of both current year and estimated future year renewal funding which relies on projections of the Renewal Funding Inflation Factor (RFIF), the rate at which average HAP (PUC) increases, changes in the voucher lease up rates, and other key variables.

Since we are expecting the CY 2025 renewal funding to be constrained by the MTW HAP Renewal Eligibility Cap formula, our strategy for CY 2024 is to expend just enough of the projected end of year MTW reserves to remain conservatively below the anticipated reserve recapture threshold. Although the development expenditures may be strategically constrained this year, it may still be necessary to expend \$7-\$14 million on development activity during CY 2024 to remain below the recapture threshold. If additional development opportunities arise over CY 2024, we may expend more than the \$7-\$14 million, but the additional development spending will not result in further increases to our baseline

funding next year.

An additional funding risk that we need to balance is the potential that Congress may not extend the eligibility provision in next year's Appropriations Act which enables the agency to expend the former public housing reserves of \$6.2 million on development costs. Therefore, it may be advantageous to prioritize the use of these funds in CY 2024, in addition to the \$7-\$14 million in MTW funding.

Finally, since New Horizons' fully unrestricted reserves are not subject to timing constraints, potential recapture, or cumbersome federal requirements, they will likely serve as the final funding layer for development activities once the far more restrictive and time sensitive MTW funding is expended up to the optimal threshold for the year.

### **Capacity Building**

The following section outlines strategies for the Housing Authority to increase capacity within the agency and to obtain experience required for LIHTC applications.

Staff recommend the agency add development knowledge, experience, and capacity either through a consultant and/or by establishing a Development Director position within the Housing Authority. Staff plan to concurrently issue a Request for Qualifications for a development consultant and engage in recruitment efforts to hire a permanent employee in a Development Director position. This approach will cast a wider net in which the agency may be able to more quickly add development support through a consult that can provide more scalable services to help establish a development department, while we recruit for a qualified permanent employee.

Attached to this staff report is an updated Salary Range / Step Chart and a resolution to approve the new salary schedule with the addition of a Development Director position placed at range 59.

The second strategy consists of issuing a Request for Proposals (RFP) or other procurement to enter a co-development partnership with existing affordable housing developers to develop new affordable housing and obtain the LIHTC experience required to apply for future tax credits for our own projects. This approach will have the dual effect of assisting the Housing Authority identify and engage in new development projects, while also working with a partner to leverage their LIHTC experience.

This approach provides a fast-track for the Housing Authority to obtain LIHTC experience. The California Tax Credit Allocation Committee (TCAC) application and award of tax credits is extremely competitive. Applications that don't include a General Partner with at least three or more years of experience with a LIHTC project in service through TCAC are ineligible for points under General Partners experience. TCAC conducts two application rounds each year, and the number of project applications exceed the available tax credits that TCAC can award. Project applications must secure the

maximum points, and often require the tiebreaker scoring criteria in order to receive a tax credit award.

If the Housing Authority is successful in a co-development project that includes a LIHTC award, the Housing Authority can independently apply for tax credits for future development projects. The LIHTC program is critical financial resources that will enable the Housing Authority to optimize the other funding sources outlined above.

### **Subcommittee:**

In addition to the activities listed above, staff are actively engaged in discussions with developers, jurisdictional staff, and property owners to begin to identify potential sites. The Housing Authority has considerable resources available for development that ideally would be used this calendar year. Therefore, staff will need to be able to act quickly on potential development opportunities. Staff recommend the Board of Commissioners establish a subcommittee to provide guidance to staff on evaluating and assessing acquisition and development opportunities before bringing those opportunities to the Board for consideration.

**RECOMMENDATION:** Receive Report; Adopt Resolution No. 2024-04 to Approve New Salary Scheduled with addition of Development Director Position, and Establish Subcommittee to Evaluate Acquisition and Development Opportunities

#### **Attachments:**

- 1. Moving-to-Work (MTW) Non-HAP Expenses and MTW Reserves.
- 2. Salary Schedule with Addition of Development Director Position
- 3. Resolution 2024-04 Approving New Salary Schedule with Addition of Development Director Position

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

### Attachment I - Moving-to-Work (MTW) Non-HAP Expenses and MTW Reserves

The 1996 MTW Statute and the 2016 MTW Expansion Statute require that an MTW agency shall neither receive diminished funding nor any additional funding as a result of participating in the MTW demonstration program. By basing HAP Renewal eligibility solely on expenses (subject to the HAP Renewal Eligibility Cap explained below), renewal for the expansion MTW agencies closely aligns with the current renewal methodology used for non-MTW agencies in order to prevent a reduction or surplus in funding due to MTW participation while still allowing for flexibility on eligible MTW expenses including development activities.

A non-MTW agency's renewal funding eligibility is limited by the amount of funding that the agency has available to be used for HAP expenses and by an absolute statutory restriction on over-leasing above that agency's HCV cap. Renewal funding eligibility for a non-MTW agency is reduced by the HAP expenses attributable to over-leased units. Expansion MTW Agencies are not subject to the restriction on over-leasing.

In order to comply with the statutory requirement that the MTW agency does not receive more HAP funding than the agency would have absent the MTW designation, the cap is the equivalent to the maximum amount of HAP renewal funding that the agency would have been eligible to receive if the over-leasing restrictions remained in place. The MTW agency still has maximum flexibility to use its eligible funds for either HAP and non-HAP expenses and to lease above its authorized units, while the cap ensures that the MTW agency's maximum renewal eligibility does not increase HCV funding above and beyond what it could have potentially received as a non-MTW agency.

The MTW HAP renewal eligibility cap is highlighted in the first formula below, whereas the HAP renewal eligibility calculation based on expenses (combined HAP expenses and non-HAP expenses such as development activities) is highlighted in the second formula below:

### HAP Renewal Eligibility Based on LOWER of:

1) The MTW HAP Renewal Eligibility Cap, calculated as:

| MTW Renewal     |   | The agency's pre-   |   | Total number of MTW-eligible ACC-    |
|-----------------|---|---------------------|---|--------------------------------------|
| Eligibility Cap | = | MTW monthly per-    | Χ | authorized units in the re-benchmark |
|                 |   | unit cost (PUC)     |   | year                                 |
|                 |   | inflated to the re- |   |                                      |
|                 |   | benchmark year      |   |                                      |

2) The Re-Benchmark Year's Actual HAP/non-HAP eligible expenses, calculated as:

|      | Total Eligible Expenses  | = | HAP Expenses | + | Eligible Non-HAP MTW |
|------|--------------------------|---|--------------|---|----------------------|
| IUla | iotal Eligible Experises |   |              |   | Expenses             |

As is the case for non-MTW PHAs under current appropriations law, the HAP renewal funding eligibility for MTW agencies is calculated based on each MTW agency's actual expenses for the previous calendar year (known as the re-benchmark year). Unique to MTW agencies, however, the MTW agency's actual expenses are: 1) the previous Calendar Year's HAP expenses, and 2) the previous calendar year's eligible non-HAP MTW expenses which can include development costs. In addition, MTW HAP renewal funding is subject to an MTW Renewal Eligibility Cap derived from the number of units authorized under the MTW agency's Annual Contributions Contract (ACC). The lower of the total combined HAP and non-HAP expenses or the MTW Renewal Eligibility Cap will then be adjusted by the Renewal Funding Inflation Factor (RFIF) and any national proration that applies to the HCV renewal appropriation to determine the MTW agency's actual calendar year (CY) HAP renewal funding.

As mentioned, an MTW agency's renewal eligibility will be limited by the HAP Renewal Eligibility Cap. The calculation multiplies (1) the MTW agency's total number of MTW-eligible ACC authorized units in the re-benchmark year (the CY immediately preceding the CY for which the MTW agency's renewal eligibility is being calculated) by (2) the MTW agency's pre-MTW monthly per-unit cost (PUC) inflated to the re-benchmark year. The inflated pre-MTW per unit costs (PUC), or average HAP cost per voucher, is projected using the average monthly PUC as a base for the CY in which the MTW agency signed its MTW ACC Amendment. HUD applies the RFIF to this base PUC to estimate what the MTW agency's HCV PUC would be, had the MTW agency not joined the MTW program, as of the rebenchmark year. After the calculation of the HAP Renewal Eligibility Cap, it is compared with the MTW agency's actual total combined HAP and non-HAP MTW expenses. The lower of these two amounts – (1) the HAP Renewal Eligibility Cap or (2) the MTW agency's actual total combined HAP and non-HAP MTW expenses adjusted by the RFIF and any national proration factor – is then used to determine the MTW agency's calendar year renewal funding.

Since HAP renewal funding is based on the lessor of the two calculations, the general strategy is to maximize the renewal funding impact of the non-HAP MTW expenses which includes development activities. Absent the potentially limiting MTW HAP Renewal Eligibility Cap formula, increasing development expenditures will increase the following year's renewal funding. However, the non-HAP MTW expenses are not included in the following years renewal funding for years in which the MTW HAP Renewal Eligibility Cap formula is the lower of the two renewal funding calculations. As a result, development expenditures in those years are not maximizing the renewal funding since non-HAP MTW expenses are not a component of the MTW HAP Renewal Eligibility Cap calculation. However, even in years in which funding is constrained by the eligibility cap formula, it may be necessary to strategically incur development costs to avoid a potential recapture of "excess" reserve funds by HUD. Unfortunately, the reserve recapture thresholds vary by year and are often not finalized until after the calendar year has ended. As a result, it may be fiscally prudent for the agency to expend enough on HAP and development activity to be conservatively below the anticipated recapture threshold.

## **Prioritizing Use of Funding Sources**

In any given year, the funding sources detailed above must be analyzed in the context of both current year and estimated future year renewal funding which relies on projections of the Renewal Funding Inflation Factor (RFIF), the rate at which average HAP (PUC) increases, changes in the voucher lease up rates, and other key variables. This analysis is performed using HUD's Two Year Tool spreadsheet which charts estimated units leased and the associated HAP expenses over several years. The Two Year Tool enables staff to estimate current and future year renewal funding, HAP expenditures, and MTW reserve balances to assess the extent to which reserves can be expended on development activities or retained to supplement a shortfall in the following years funding due to an insufficient Renewal Funding Inflation Factor (RFIF).

Since we are expecting the CY 2025 renewal funding will be constrained by the MTW HAP Renewal Eligibility Cap formula, our strategy for CY 2024 is to expend just enough of the projected end of year MTW reserves to remain conservatively below the anticipated reserve recapture threshold. Although the development expenditures may be strategically constrained this year, it may still be necessary to expend \$7-\$14 million on development activity during CY 2024 to remain below the recapture threshold.

## Salary Range/Step Chart

#### Effective 7/1/2024

Subject to Approval by the Board of Commissioners

| _                                      |       | _      |        | <b>Monthly</b> |        |        | _      | _      | <u>Hourly</u> |        |        |
|--|-------|--------|--------|----------------|--------|--------|--------|--------|---------------|--------|--------|
| Job Title                              | Range | Step 1 | Step 2 | Step 3         | Step 4 | Step 5 | Step 1 | Step 2 | Step 3        | Step 4 | Step 5 |
| *                                      | 8     | 3540   | 3717   | 3902           | 4097   | 4302   | 20.42  | 21.44  | 22.51         | 23.64  | 24.82  |
| *                                      | 9     | 3628   | 3809   | 4000           | 4200   | 4410   | 20.93  | 21.98  | 23.08         | 24.23  | 25.44  |
| Administrative Clerk I                 | 10    | 3719   | 3905   | 4100           | 4305   | 4520   | 21.45  | 22.53  | 23.65         | 24.84  | 26.08  |
| *                                      | 11    | 3812   | 4002   | 4202           | 4413   | 4633   | 21.99  | 23.09  | 24.24         | 25.46  | 26.73  |
| *                                      | 12    | 3907   | 4102   | 4307           | 4523   | 4749   | 22.54  | 23.67  | 24.85         | 26.09  | 27.40  |
| *                                      | 13    | 4005   | 4205   | 4415           | 4636   | 4868   | 23.10  | 24.26  | 25.47         | 26.75  | 28.08  |
| Administrative Clerk II                | 14    | 4105   | 4310   | 4526           | 4752   | 4989   | 23.68  | 24.87  | 26.11         | 27.41  | 28.78  |
| *                                      | 15    | 4207   | 4418   | 4639           | 4871   | 5114   | 24.27  | 25.49  | 26.76         | 28.10  | 29.50  |
| Account Clerk II                       | 16    | 4313   | 4528   | 4755           | 4992   | 5242   | 24.88  | 26.12  | 27.43         | 28.80  | 30.24  |
| *                                      | 17    | 4420   | 4641   | 4873           | 5117   | 5373   | 25.50  | 26.78  | 28.12         | 29.52  | 31.00  |
| Administrative Clerk III               | 18    | 4531   | 4757   | 4995           | 5245   | 5507   | 26.14  | 27.45  | 28.82         | 30.26  | 31.77  |
| Administrative Clerk III - Maintenance |       |        |        |                |        |        |        |        |               |        |        |
| *                                      | 19    | 4644   | 4876   | 5120           | 5376   | 5645   | 26.79  | 28.13  | 29.54         | 31.02  | 32.57  |
| Maintenance Worker I                   | 20    | 4760   | 4998   | 5248           | 5511   | 5786   | 27.46  | 28.84  | 30.28         | 31.79  | 33.38  |
| *                                      | 21    | 4879   | 5123   | 5379           | 5648   | 5931   | 28.15  | 29.56  | 31.04         | 32.59  | 34.22  |
| Accounting Technician                  | 22    | 5001   | 5251   | 5514           | 5790   | 6079   | 28.85  | 30.30  | 31.81         | 33.40  | 35.07  |
| Administrative Clerk IV                |       |        |        |                |        |        |        |        |               |        |        |
| Housing Assistant (New)                |       |        |        |                |        |        |        |        |               |        |        |
| *                                      | 23    | 5126   | 5383   | 5652           | 5934   | 6231   | 29.57  | 31.05  | 32.61         | 34.24  | 35.95  |
| Maintenance Worker II                  | 24    | 5254   | 5517   | 5793           | 6083   | 6387   | 30.31  | 31.83  | 33.42         | 35.09  | 36.85  |
| Housing Inspector                      | 25    | 5386   | 5655   | 5938           | 6235   | 6547   | 31.07  | 32.63  | 34.26         | 35.97  | 37.77  |
| Family Self-Sufficiency Coordinator    | 26    | 5520   | 5797   | 6086           | 6391   | 6710   | 31.85  | 33.44  | 35.11         | 36.87  | 38.71  |
| Housing Programs Specialist            |       |        |        |                |        |        |        |        |               |        |        |
| *                                      | 27    | 5658   | 5941   | 6238           | 6550   | 6878   | 32.65  | 34.28  | 35.99         | 37.79  | 39.68  |
| Client Services Coordinator            | 28    | 5800   | 6090   | 6394           | 6714   | 7050   | 33.46  | 35.13  | 36.89         | 38.74  | 40.67  |
| Leasing Specialist                     |       |        |        |                |        |        |        |        |               |        |        |
| Maintenance Worker III (New)           |       |        |        |                |        |        |        |        |               |        |        |
| Property Management Specialist         |       |        |        |                |        |        |        |        |               |        |        |
| *                                      | 29    | 5945   | 6242   | 6554           | 6882   | 7226   | 34.30  | 36.01  | 37.81         | 39.70  | 41.69  |
| Accounting Specialist                  | 30    | 6094   | 6398   | 6718           | 7054   | 7407   | 35.16  | 36.91  | 38.76         | 40.70  | 42.73  |
| Housing Programs Senior Specialist     |       |        |        |                |        |        |        |        |               |        |        |
| Maintenance Coordinator                | 31    | 6246   | 6558   | 6886           | 7230   | 7592   | 36.03  | 37.84  | 39.73         | 41.71  | 43.80  |
| Executive Secretary                    | 32    | 6402   | 6722   | 7058           | 7411   | 7782   | 36.93  | 38.78  | 40.72         | 42.76  | 44.89  |
| Program Integrity Specialist           |       |        |        |                |        |        |        |        |               |        |        |
| *                                      | 33    | 6562   | 6890   | 7235           | 7596   | 7976   | 37.86  | 39.75  | 41.74         | 43.83  | 46.02  |
| Accountant                             | 34    | 6726   | 7062   | 7416           | 7786   | 8176   | 38.80  | 40.75  | 42.78         | 44.92  | 47.17  |
| *                                      | 35    | 6894   | 7239   | 7601           | 7981   | 8380   | 39.77  | 41.76  | 43.85         | 46.04  | 48.35  |
| *                                      | 36    | 7067   | 7420   | 7791           | 8181   | 8590   | 40.77  | 42.81  | 44.95         | 47.20  | 49.56  |
| *                                      | 37    | 7243   | 7606   | 7986           | 8385   | 8804   | 41.79  | 43.88  | 46.07         | 48.38  | 50.79  |
| Senior Accountant                      | 38    | 7424   | 7796   | 8185           | 8595   | 9024   | 42.83  | 44.97  | 47.22         | 49.58  | 52.06  |
| Administrative Services Supervisor     | 39    | 7610   | 7991   | 8390           | 8810   | 9250   | 43.90  | 46.10  | 48.40         | 50.82  | 53.37  |
| Housing Programs Supervisor            |       |        |        |                |        |        |        |        |               |        |        |
| Property Management Supervisor         |       |        |        |                |        |        |        |        |               |        |        |
| Administrative Analyst                 | 40    | 7800   | 8190   | 8600           | 9030   | 9481   | 45.00  | 47.25  | 49.61         | 52.10  | 54.70  |
| *                                      | 41    | 7995   | 8395   | 8815           | 9256   | 9718   | 46.13  | 48.43  | 50.85         | 53.40  | 56.07  |
| *                                      | 42    | 8195   | 8605   | 9035           | 9487   | 9961   | 47.28  | 49.64  | 52.13         | 54.73  | 57.47  |

| Data Analyst                                   | 43  | 8400  | 8820  | 9261  | 9724  | 10210 | 48.46  | 50.88  | 53.43  | 56.10  | 58.91  |
|--|-----|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|
| Facilities Manager                             | 45  | 6400  | 0020  | 9201  | 9/24  | 10210 | 40.40  | 30.06  | 33.43  | 20.10  | 20.91  |
| Senior Administrative Analyst                  | 44  | 8610  | 9041  | 9493  | 9967  | 10466 | 49.67  | 52.16  | 54.76  | 57.50  | 60.38  |
| *  | 45  | 8825  | 9267  | 9730  | 10216 | 10727 | 50.92  | 53.46  | 56.13  | 58.94  | 61.89  |
| *  | 46  | 9046  | 9498  | 9973  | 10210 | 10995 | 52.19  | 54.80  | 57.54  | 60.41  | 63.44  |
| Administrative Services Assistant Director     | 47  | 9272  | 9736  | 10222 | 10734 | 11270 | 53.49  | 56.17  | 58.98  | 61.92  | 65.02  |
| Housing Programs Assistant Director            | -7/ | 3272  | 3730  | 10222 | 10734 | 11270 | 33.43  | 30.17  | 30.30  | 01.52  | 03.02  |
| Human Resources Director                       |     |       |       |       |       |       |        |        |        |        |        |
| Property Management Assistant Director         |     |       |       |       |       |       |        |        |        |        |        |
| Senior Data Analyst                            |     |       |       |       |       |       |        |        |        |        |        |
| *  | 48  | 9504  | 9979  | 10478 | 11002 | 11552 | 54.83  | 57.57  | 60.45  | 63.47  | 66.65  |
| Information Technology Coordinator             | 49  | 9741  | 10229 | 10740 | 11277 | 11841 | 56.20  | 59.01  | 61.96  | 65.06  | 68.31  |
| Controller                                     | 50  | 9985  | 10484 | 11008 | 11559 | 12137 | 57.61  | 60.49  | 63.51  | 66.69  | 70.02  |
| Principal Management Analyst                   |     | 1111  |       |       |       |       |        |        |        |        |        |
| *  | 51  | 10235 | 10746 | 11284 | 11848 | 12440 | 59.05  | 62.00  | 65.10  | 68.35  | 71.77  |
| *  | 52  | 10491 | 11015 | 11566 | 12144 | 12751 | 60.52  | 63.55  | 66.73  | 70.06  | 73.57  |
| *  | 53  | 10753 | 11290 | 11855 | 12448 | 13070 | 62.04  | 65.14  | 68.39  | 71.81  | 75.40  |
| Assistant Finance Director                     | 54  | 11022 | 11573 | 12151 | 12759 | 13397 | 63.59  | 66.77  | 70.10  | 73.61  | 77.29  |
| *  | 55  | 11297 | 11862 | 12455 | 13078 | 13732 | 65.18  | 68.43  | 71.86  | 75.45  | 79.22  |
| *  | 56  | 11580 | 12159 | 12766 | 13405 | 14075 | 66.81  | 70.15  | 73.65  | 77.34  | 81.20  |
| Administrative Services Director               | 57  | 11869 | 12463 | 13086 | 13740 | 14427 | 68.48  | 71.90  | 75.49  | 79.27  | 83.23  |
| Housing Programs Director                      |     |       |       |       |       |       |        |        |        |        |        |
| Property Management & Client Services Director |     |       |       |       |       |       |        |        |        |        |        |
| *  | 58  | 12166 | 12774 | 13413 | 14083 | 14788 | 70.19  | 73.70  | 77.38  | 81.25  | 85.31  |
| Development Director                           | 59  | 12470 | 13093 | 13748 | 14436 | 15157 | 71.94  | 75.54  | 79.32  | 83.28  | 87.45  |
| Finance Director                               | 60  | 12782 | 13421 | 14092 | 14796 | 15536 | 73.74  | 77.43  | 81.30  | 85.36  | 89.63  |
| *  | 61  | 13101 | 13756 | 14444 | 15166 | 15925 | 75.58  | 79.36  | 83.33  | 87.50  | 91.87  |
| *  | 62  | 13429 | 14100 | 14805 | 15545 | 16323 | 77.47  | 81.35  | 85.41  | 89.69  | 94.17  |
| *  | 63  | 13764 | 14453 | 15175 | 15934 | 16731 | 79.41  | 83.38  | 87.55  | 91.93  | 96.52  |
| Director of Operations                         | 64  | 14109 | 14814 | 15555 | 16332 | 17149 | 81.40  | 85.47  | 89.74  | 94.23  | 98.94  |
| *  | 65  | 14461 | 15184 | 15944 | 16741 | 17578 | 83.43  | 87.60  | 91.98  | 96.58  | 101.41 |
| *  | 66  | 14823 | 15564 | 16342 | 17159 | 18017 | 85.52  | 89.79  | 94.28  | 99.00  | 103.95 |
| *  | 67  | 15193 | 15953 | 16751 | 17588 | 18468 | 87.65  | 92.04  | 96.64  | 101.47 | 106.54 |
| *  | 68  | 15573 | 16352 | 17169 | 18028 | 18929 | 89.85  | 94.34  | 99.05  | 104.01 | 109.21 |
| *  | 69  | 15963 | 16761 | 17599 | 18479 | 19403 | 92.09  | 96.70  | 101.53 | 106.61 | 111.94 |
| Deputy Executive Director                      | 70  | 16362 | 17180 | 18039 | 18941 | 19888 | 94.39  | 99.11  | 104.07 | 109.27 | 114.74 |
|  | 71  | 16771 | 17609 | 18490 | 19414 | 20385 | 96.75  | 101.59 | 106.67 | 112.00 | 117.60 |
| *  | 72  | 17190 | 18049 | 18952 | 19900 | 20894 | 99.17  | 104.13 | 109.34 | 114.80 | 120.55 |
| *  | 73  | 17620 | 18501 | 19426 | 20397 | 21417 | 101.65 | 106.73 | 112.07 | 117.67 | 123.56 |
| *  | 74  | 18060 | 18963 | 19911 | 20907 | 21952 | 104.19 | 109.40 | 114.87 | 120.62 | 126.65 |
| *  | 75  | 18512 | 19437 | 20409 | 21430 | 22501 | 106.80 | 112.14 | 117.74 | 123.63 | 129.81 |
| *  | 76  | 18974 | 19923 | 20919 | 21965 | 23064 | 109.47 | 114.94 | 120.69 | 126.72 | 133.06 |
| *  | 77  | 19449 | 20421 | 21442 | 22514 | 23640 | 112.20 | 117.82 | 123.71 | 129.89 | 136.39 |
| Executive Director                             | 78  | 19935 | 20932 | 21978 | 23077 | 24231 | 115.01 | 120.76 | 126.80 | 133.14 | 139.80 |

Staff employed by the Authority prior to July 1, 1997, receive Longevity Pay equal to an increase of approximately 5% on the date of the tenth anniversary (20,800 hours of paid service) of full-time continuous service as a regular employee of the Authority.

A Bilingual Premium is paid to staff determined eligible by Administration at the following rates:

Level I: \$1.00 per hour at 100% of time in paid status up to 40 hours per week Level II: \$1.35 per hour at 100% of time in paid status up to 40 hours per week

## HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

## **RESOLUTION NO. 2024-04**

A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY SANTA CRUZ ADOPTING NEW SALARY SCHEDULE EFFECTIVE JULY 1, 2024 WITH ADDITION OF DEVELOPMENT DIRECTOR POSITION

WHEREAS, the Housing Authority of the County of Santa Cruz's Board of Commissioners must review and approve the Salary Schedule, and;

WHEREAS, the Housing Authority of the County of Santa Cruz propose to update the Salary Schedule effective July 1, 2024 to include the position of Development Director.

NOW, THEREFORE, BE IT RESOLVED that the updated Salary Schedule effective July 1, 2024 for the Housing Authority of the County of Santa Cruz be approved.

Authority of the County of Santa Cruz, State of California, on June 26, 2024, by the

following vote:

Secretary of the Authority

PASSED AND ADOPTED by the Board of Commissioners of the Housing

AYES:
NOES:
ABSENT:

Chairperson of the Authority

ATTEST:

MEETING DATE: June 26, 2024 ITEM NUMBER: 6C

**FROM:** Executive Director

**SUBJECT:** Housing Authority Annual Agency Goals

**RECOMMENDATION:** Approve Housing Authority Agency Goals for 2024 - 2025 FY

### **BACKGROUND SUMMARY:**

Each year, the Housing Authority Board of Commissioners establishes Annual Agency Goals for the upcoming fiscal year. A final report on progress towards FY 2023 - 2024 goals will be provided to the Board at the August meeting. Below are proposed Agency Goals for the upcoming 2024 - 2025 fiscal year.

## Proposed Housing Authority Agency Goals for 2024 - 2025 Fiscal Year

- 1. Expand Housing Choice Voucher Program:
  - a. Achieve cumulative voucher utilization rate of 97% for HCV program group, including all voucher types.
  - b. Lease Up 100% of all new Stability Vouchers (41 vouchers).
  - c. Increase total number of households assisted in HCV program group by at least 100 households.
  - d. Increase number of landlords participating in the HCV program by 30.

## 2. Expand Affordable Housing Supply:

- a. Establish and implement updated Project Based Voucher RFP criteria and process, including parameters for measured PBV growth.
- b. Complete construction of 415 Natural Bridges Drive and fully lease all 20 units.
- c. Optimize financial resources and funding sources, including MTW and New Horizons funds, to acquire property and develop new affordable housing projects.
- d. Increase agency capacity to facilitate development activities through issuing a Request for Qualifications for consulting services and/or establishing a Development Director position within the Housing Authority.
- e. Issue a Request for Proposals or other procurement to enter a co-development partnership with existing affordable housing developers to develop new affordable

housing and obtain Low Income Housing Tax Credit (LIHTC) experience required to apply for future tax credits for our own projects.

## 3. Expand Programs and Services:

- a. Develop and implement two year plan for expansion of New Horizons Programs and Services.
- b. Implement Year Two of MTW Asset Building Program and Participate in Evaluation of Program Outcomes.

## 4. Improve Agency and Program Management:

- a. Complete Update and Verification of Continued Interest of Waiting List Applicants, and develop plan for re-opening Waiting List.
- b. Implementation of Equity Report Card and Action Plan Goals.

Once Annual Agency Goals are established by the Board, the Housing Authority staff shall provide updates on progress towards these goals on a quarterly basis through reports included in the consent agenda. The target date for completion of all goals will be 6/30/25 unless otherwise stated.

**RECOMMENDATION:** Approve Annual Agency Goals for Housing Authority

MEETING DATE: June 26, 2024 ITEM NUMBER: 6D

**FROM:** Executive Director

**SUBJECT:** Housing Authority Equity Report Card and Action Plan

**RECOMMENDATION:** Receive Report; Adopt Equity Goals

### **BACKGROUND SUMMARY:**

The Housing Authority of the County of Santa Cruz is committed to advancing access to affordable housing and a thriving community free from discrimination by providing affordable housing and delivering inclusive services to our diverse community with compassion and kindness. Our mission extends beyond shelter, utilizing housing as a catalyst to promote equity, economic mobility, dignity, stability, improved quality of life, and a place to call home.

Our mission is rooted in equity. The housing and rental assistance we provide through our programs is associated with improved outcomes in every aspect of a person's life; mental and physical health, educational attainment, employment, and beyond. Rental assistance programs like ours help ameliorate generational poverty and opportunity gaps that disproportionately impact persons of color, persons with disabilities, and other marginalized groups. As a public agency, we have a responsibility to address structural racism and inequity in our community through our work in housing. Last year, the Housing Authority completed our first ever Equity Report Card and Action Plan, which included a commitment to updating the Report Card on an annual basis, and to make an agency-wide commitment to embed racial, social and economic justice in all our work.

The purpose of the Report Card and Action Plan is to:

- 1. Examine diversity and representation at all levels within the Agency
- 2. Examine disparities in program outcomes
- 3. Establish goals to promote diversity, equity, and inclusion in our Agency and programs

The Equity Report Card and Action Plan is attached for your review. The report includes a summary of progress made towards the goals established in the prior year report, and concludes with a set of proposed goals, as follows:

## **2024 – 2025 Equity Goals**

- 1. Expand understanding of equity and inclusion principles.
  - a. Continued Annual Diversity, Equity, and Inclusion (DEI) training for staff.
  - b. Expanded DEI training for supervisors, analysts, and/or management.
  - c. Establish staff equity committee that will work with management team to promote equity by:
    - Providing information and recommendations on workplace culture and issues of equity in the workplace.
    - Providing recommendations on training and learning opportunities to deepen employees' engagement in and understanding of equity.
- 2. Work toward increasing diversity and representation at the management and supervisory level.
  - a. Provide opportunities for staff education, training, professional and career development to promote economic empowerment and to add diversity and representation at the supervisor and management level.
- 3. Increase access to Housing Authority programs through Waiting List Refresh and Re-Opening the Waiting List.
  - a. Complete Verification of Continued Interest and Update application information for all waiting list applicants on Housing Choice Voucher waiting list.
  - b. Develop plan to re-open the waiting list. Explore models that would allow for a continually open waiting list to promote access to Housing Authority programs.
  - c. Develop outreach strategies to reach persons least likely to apply and underrepresented groups including Asian and senior households.
  - d. Evaluate waiting list application forms and processes to ensure that they adequately eliminate barriers related to computer and internet access, language, and other potential barriers.
- 4. Promote housing mobility and mitigate housing discrimination.
  - a. Tenant Rights and Responsibilities and Fair Housing Workshops
  - b. Landlord Rights and Responsibilities Workshops
  - c. Strengthen partnership with legal advocacy groups
- 5. Reduce Rent Burden of Households with Mixed Citizenship Status

| a. Request and implement HUD waiver to standardize proration of mixed citizenship status households. |
|--|
| RECOMMENDATION: Receive Report; Adopt Equity Goals   |
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| HOUGING AUTHORITY OF THE COUNTY OF GANTA CRUZ  |
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## **Equity Report Card** and Action Plan



# HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

## **Board of Commissioners**

Andy Schiffrin, Chairperson
Providence Martinez-Alaniz, Vice Chairperson
Carol Berg
Ligayo Eligio
Annette Melendrez
Silvia Morales
Richard Schmale

## **Executive Management Team**

Jennifer Panetta, Executive Director
Thomas Graham, Deputy Executive Director
Gisselle Arreola-Flores, Housing Programs Director
Daniel Fagan, Director of Property Management & Client Services
Kathleen Kiyabu, Administrative Services Director
Aaron Pomeroy, Finance Director

## Report Prepared by

Eric C. Johnson, Senior Administrative Analyst

## **Special Acknowledgements**

Lorena Saines, Senior Data Analyst Shamama Afnan, Data Analyst Jacob Waller, Administrative Analyst Kathleen Kiyabu, Administrative Services Director



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## INTRODUCTION

The Housing Authority of the County of Santa Cruz is committed to advancing access to affordable housing and a thriving community free from discrimination by providing affordable housing and delivering inclusive services to our diverse community with compassion and kindness. The Housing Authority's mission extends beyond shelter, utilizing housing as a catalyst to promote equity, economic mobility, dignity, stability, improved quality of life, and a place to call home.

The housing and rental assistance that we provide through our programs is associated with improved outcomes in every aspect of a person's life: mental and physical health, educational attainment, employment, and beyond. Rental assistance programs like ours help ameliorate generational poverty and opportunity gaps that disproportionately impact persons of color, persons with disabilities, and other marginalized groups.

As a public agency, we have a responsibility to address structural inequities in our community through our work in housing. With this second edition of the Equity Report Card, we continue to evaluate the diversity and representation of program participants, examine disparities in program experiences and outcomes, address the goals created in the first edition of the Equity Report Card, and develop new goals for the coming year.

To the extent possible and where data is available, this Report Card and Action Plan encompasses issues related to various types of equity among underrepresented, vulnerable, and otherwise marginalized groups, including persons with disabilities, monolingual Spanish speakers, seniors, families with children, and persons experiencing homelessness.

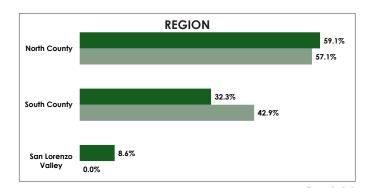
## PART 1: DIVERSITY AND REPRESENTATION

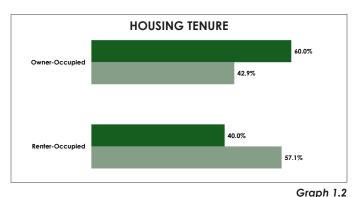
The Housing Authority of the County of Santa Cruz strives to ensure that our Board and our staff represent our community, so that individuals with a variety of perspectives and experiences can participate in shaping and implementing our affordable housing programs. Further, we are committed to ensuring that all low-income residents have fair and equitable access to the programs that we provide.

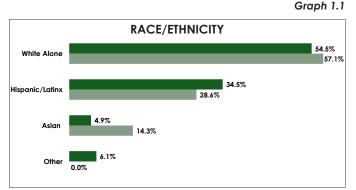
The following section examines diversity and representation, both within our agency, as well as within our programs and waiting lists, in an effort to identify underrepresented or underserved populations. By identifying these populations, we can strive to promote equitable representation, access and equity for all groups.

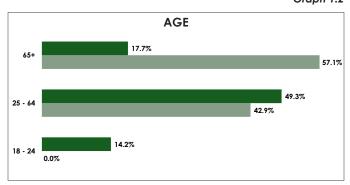
All data regarding the general Santa Cruz County population, or a subset of the general population, is sourced from the American Community Survey 2022 5-Year Estimates, unless otherwise noted. Data regarding Housing Authority program participants and waiting list applicants was drawn on March 27, 2024, unless otherwise noted.

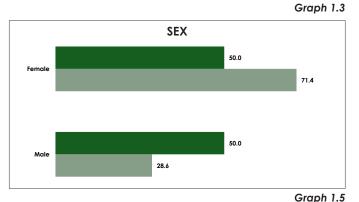
## **BOARD OF COMMISSIONERS**

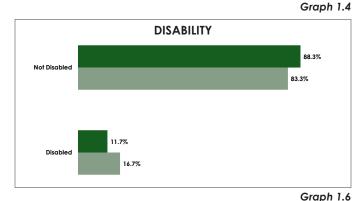












Board Data: n = 7

Santa Cruz County

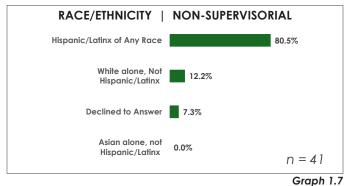
Board of Commissioners

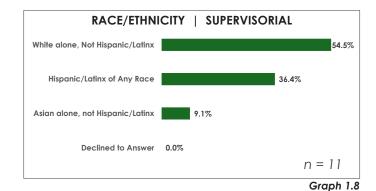
The graphs on the previous page compares select demographics of our Agency's Board of Commissioners to the general Santa Cruz County population. Governmental bodies are intended to share characteristics with the communities that they serve, and the Housing Authority benefits from having a representative Board.

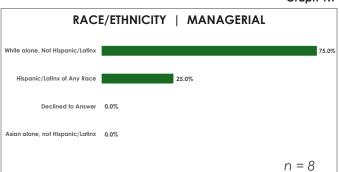
The Board has strong representation among renters, and South County residents, two groups that are critically underrepresented on local boards according to "A Santa Cruz Like Me" which studied board representation in the County. Additionally, the Board has strong female representation.

### HOUSING AUTHORITY STAFF

Like the Board, the Housing Authority also benefits from a staff that broadly reflects our community. There is strong Hispanic/Latinx representation, bilingual representation, and a wide range of ages. Additionally, staff residences are well-distributed across the County.







RACE/ETHNICITY | ALL STAFF CLASSIFICATIONS

Hispanic/Latinx of Any Race

65.0%

White alone, Not Hispanic/Latinx

Declined to Answer

5.0%

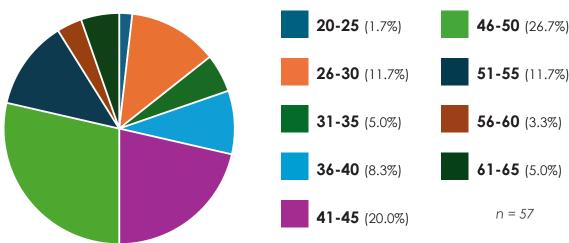
Graph 1.9

**Graph 1.10** 

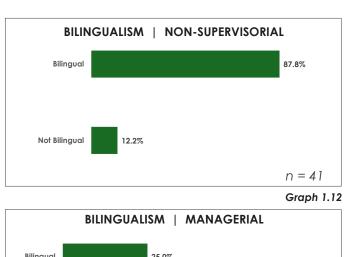
n = 60

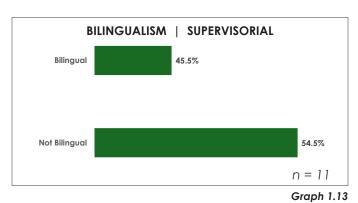


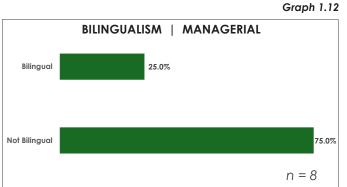
Asian alone, not Hispanic/Latinx 1.7%

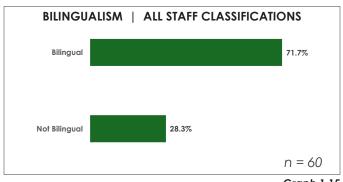


3 Graph 1.11



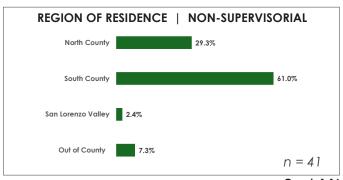


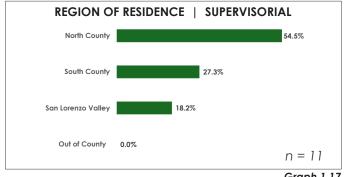






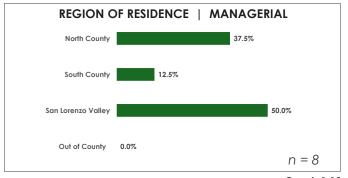


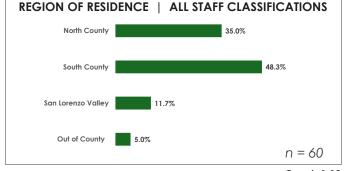






**Graph 1.17** 





**Graph 1.18** 

**Graph 1.19** 

Graphs 1.7-1.10 represent the race and ethnicity of Housing Authority staff by staff classifications. Of the 60 employees, 65% are Hispanic or Latinx and 30% are not Hispanic or Latinx. When compared to the Hispanic or Latinx population of Santa Cruz County (34.5%), this population is well-represented within the Agency, although, less represented among management (25.0%).

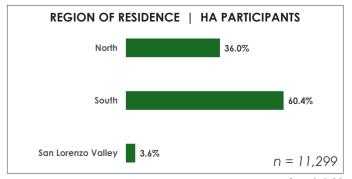
Graph 1.11 exhibits the age of Housing Authority employees. This distribution closely resembles a standard bell curve, as most staff are between the ages of 36 and 55. However, the percentage of staff that is relatively new to the workforce - those aged 30 and younger (13.4%) - is slightly higher than staff that is approaching or in retirement age - those aged 56 or older (8.3%).

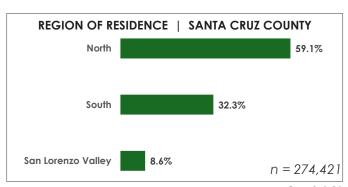
**Graphs 1.12-1.15** show the bilingualism status of staff at the Housing Authority by staff classification. Nearly three-quarters (71.7%) of staff are fluent in Spanish, with the majority of bilingual staff holding non-supervisorial positions. Staff in the non-supervisorial positions interact with program participants most frequently.

**Graphs 1.16-1.19** represent the Region of Residence of the Housing Authority staff by classification. The Agency is well-represented by South County and San Loreno Valley residents, with 48.3% and 11.7% of employees living in those areas respectively. These are both greater than the general Santa Cruz County proportions (32.3% and 8.6%). Approximately 5.0% of employees commute from out of Santa Cruz County.

## PROGRAM POPULATIONS – PARTICIPANTS AND WAITING LIST APPLICANTS

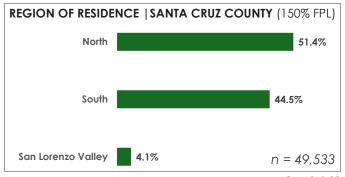
Region of Residence of Housing Authority Families Living in Santa Cruz County and Santa Cruz County Populations





Graph 1.20

Graph 1.21



Graph 1.22

**Graphs 1.20–1.22** display the region of residence of all members of Housing Authority participant families ("HA Participants") living in Santa Cruz County, the region of residence for the general Santa Cruz County population, and the region of residence for Santa Cruz County households that are at or below 150% of the federal poverty level ("FPL"). 150% of the FPL is the best available proxy measure for the extremely low-income population based on region of residence.

Santa Cruz HA Participants live primarily in South County, with 60.4% of participants. South County residents are over-represented when compared to the general Santa Cruz County population and the estimated income eligible population, which comprise 32.3% and 44.5% of their respective groups.

In the previous year's report, 34.9% of HA participants lived in North County, 61.3% of residents lived in South County, and 3.8% lived in the San Lorenzo Valley, indicating that within the past year, the geographic distribution of the program has shifted very slightly towards a distribution that more closely matches the income eligible population.

| Table 1.1 – Rac                                     | e of Housing       | Authority Par       | ticipants, Wai | ting List Appli | cants, and Sa        | nta Cruz Cou         | nty Residents         |
|---|--------------------|---------------------|----------------|-----------------|----------------------|----------------------|-----------------------|
| Race &<br>Ethnicity                                 | HA<br>Participants | HCV<br>Waiting List | WL<br>In Juris | WL<br>Out Juris | Santa Cruz<br>County | SC County<br>Renters | SC County<br>125% FPL |
| Hispanic/<br>Latinx                                 | 70.2%              | 46.2%               | 60.5%          | 39.3%           | 34.5%                | 36.0%                | 44.0%                 |
| Not<br>Hispanic/<br>Latinx                          | 29.8%              | 53.8%               | 39.5%          | 60.7%           | 65.5%                | 64.0%                | 56.0%                 |
| n =   | 12,279             | 10,115              | 3,287          | 6,828           | 264,370              | 36,635               | 37,068                |
| White Alone   | 94.8%              | 44.3%               | 61.2%          | 36.1%           | 58.0%                | 66.1%                | 60.6%                 |
| Black/<br>African-<br>American<br>Alone             | 2.5%               | 21.2%               | 4.4%           | 29.3%           | 0.8%                 | 1.4%                 | 1.3%                  |
| Asian<br>Alone                                      | 0.7%               | 4.0%                | 1.4%           | 5.2%            | 5.2%                 | 4.3%                 | 4.8%                  |
| Native<br>Hawaiian/<br>Pacific<br>Islander<br>Alone | 0.3%               | 1.9%                | 1.6%           | 2.1%            | 0.2%                 | 0.3%                 | 0.2%                  |
| American<br>Indian/<br>Alaska<br>Native Alone       | 0.8%               | 3.0%                | 2.5%           | 3.3%            | 1.5%                 | 1.0%                 | 1.4%                  |
| Multiracial   | 0.8%               | 4.8%                | 3.4%           | 5.4%            | 16.1%                | 9.3%                 | 21.5%                 |
| Some Other<br>Race                                  | N/A                | 20.8%               | 25.4%          | 18.6%           | 18.2%                | 17.7%                | 10.2%                 |
| White   | <u> </u>           | <u> </u>            |                | <u> </u>        | <u> </u>             | <u> </u>             | 1                     |
| Alone, Not<br>Hispanic/<br>Latinx                   | 25.7%              | 23.1%               | 29.1%          | 20.2%           | 54.5%                | 55.5%                | 46.8%                 |
| n =   | 12,252             | 10,115              | 3,287          | 6,828           | 264,370              | 38,635               | 37,127                |

Table 1.1 presents the race and ethnicity of HA Participants in Housing Authority programs, the applicants on the HCV Waiting List, the Waiting List applicants that live or work in Santa Cruz County ("WL In Juris"), the applicants on the Waiting List that don't live or work in Santa Cruz County ("WL Out Juris"), the general Santa Cruz County population, Santa Cruz County renters, and persons in Santa Cruz County at 125% of the FPL. 125% of the FPL is the best available proxy measure for the extremely low-income population based on race and ethnicity, and the WL In Juris and WL Out Juris data were disaggregated since the two groups can vary significantly.

The majority of HA Participants are Hispanic or Latinx (70.2%). This is much greater than the general Santa Cruz County population (34.5%), the renter population (36.0%), and 125% FPL population (44.0%). This data shows that Hispanic and Latinx individuals successfully access Housing Authority programs.

For race, most HA Participants identify as White alone (94.8%), but it is necessary to consider that this includes individuals that also identify as Hispanic or Latinx. Another representation of the White alone population is shown at the bottom of the table, which does not include the Hispanic or Latinx population. Based on the disaggregated White alone data, this population is not over-represented among Housing Authority Programs or waiting lists.

The Black or African American population has greater representation within HA Participants (2.5%) than all three Santa Cruz County populations (0.8%, 1.4%, and 1.3%). Blacks or African Americans also have high representation on the HCV Waiting List, at 21.2%. However, this figure is heavily influenced by applicants that do not live or work in Santa Cruz County, comprising 29.3% of out of County applicants. By comparison, 4.4% of Santa Cruz County applicants are Black or African American, which is still higher than the percentage of Black or African American residents in the Santa Cruz County population.

The Asian HA Participants population is under-represented at 0.7%, compared to 5.2% of the general Santa Cruz County, 4.3% of the renter population, and 4.8% of the 125% FPL population.

Native Hawaiian or Pacific Islander and American Indian or Alaska Native HA Participants populations are within 0.7% or less of their respective countywide percentages.

Compared to last year, Hispanic/Latinx representation has increased from 68.7%, Black or African American representation has increased from 2.4%, American Indian or Alaska Native representation has increased from 0.3%, and multiracial has representation increased from 0.5%, reflecting a program population with increasing diversity.

| <b>Table 1.2</b> – Disability Status of Housing Authority Participants,<br>Waiting List Applicants, and Santa Cruz County Residents |                    |                     |                |                 |                      |                       |  |
|---|--------------------|---------------------|----------------|-----------------|----------------------|-----------------------|--|
| Disability<br>Status  | HA<br>Participants | HCV<br>Waiting List | WL<br>In Juris | WL<br>Out Juris | Santa Cruz<br>County | SC County<br>125% FPL |  |
| Disabled  | 26.4%              | 24.7%               | 22.8%          | 25.6%           | 11.7%                | 19.2%                 |  |
| Not<br>Disabled   | 73.6%              | 75.3%               | 77.2%          | 74.4%           | 88.3%                | 80.8%                 |  |
| n =   | 12,671             | 10,115              | 3,287          | 6,828           | 267,448              | 37,031                |  |

Table 1.2 shows the disability status of various populations. 26.4% of HA Participants are disabled, compared to 11.7% of the general Santa Cruz County population and 19.2% of the 125% FPL population. Additionally, 24.7% of Waiting List applicants are disabled, comprising 22.8% of WL In Juris applicants and 25.6% of WL Out Juris applicants. This data shows that Housing Authority programs are accessible to persons with disabilities, and disabled community members are not underrepresented in HA programs. Further, the percentage of disabled participants has grown since last year, when it was 20.5%.

| <b>Table 1.3</b> – Elderly Status of Select Housing Authority Participants,<br>Waiting List Applicants, and Santa Cruz County Residents |                    |                     |                |                 |                      |                       |
|---|--------------------|---------------------|----------------|-----------------|----------------------|-----------------------|
| Elderly*<br>Status  | HA<br>Participants | HCV<br>Waiting List | WL<br>In Juris | WL<br>Out Juris | Santa Cruz<br>County | SC County<br>125% FPL |
| Elderly   | 23.2%              | 9.5%                | 12.1%          | 8.3%            | 17.6%                | 15.0%                 |
| Not Elderly   | 76.8%              | 90.5%               | 87.9%          | 91.7%           | 82.4%                | 65.2%                 |
| n =   | 12,671             | 10,115              | 3,287          | 6,828           | 267,448              | 37,150                |

<sup>\*</sup> HUD defines elderly as 62+ whereas the Census Bureau defines elderly as 65+

Table 1.3 displays the elderly status of various populations. Elderly persons demonstrate strong representation within our programs, as 23.2% of HA Participants are seniors, which is greater than the 17.6% of Santa Cruz County and 15.0% of the 125% FPL cohorts. A smaller percentage of elderly people can be found on the HCV Waiting List, at 9.5%. As with disabled families, the percentage of elderly participants has grown. Last year, the rate was 18.5%. The comparatively lower percentages of seniors on Housing Authority waiting lists demonstrates the necessity of ensuring that waiting list processes are accessible to seniors.

| <b>Table 1.4</b> – Average Household Size by HA Families,<br>HCV Waiting List, and Santa Cruz County |   |        |       |       |        |  |  |  |
|--|---|--------|-------|-------|--------|--|--|--|
| Average<br>Household<br>Size   | lousehold Families Waiting List In Juris Out Juris County |        |       |       |        |  |  |  |
| Persons per<br>Household   | 2.24  | 2.47   | 2.47  | 2.47  | 2.64   |  |  |  |
| n =  | 5,728   | 10,115 | 3,287 | 6,828 | 96,487 |  |  |  |

**Table 1.4** represents the average household size of various populations. HA Families have a slightly smaller average household size at 2.24 members compared to Santa Cruz County overall population which has an average household size at 2.64 members.

| Table 1.5 – Language Preference of Head of Household by<br>HA Families, HCV Waiting List, and Santa Cruz County |                |                     |                |                 |   |                      |  |
|---|----------------|---------------------|----------------|-----------------|---|----------------------|--|
| Language<br>Preference  | HA<br>Families | HCV<br>Waiting List | WL<br>In Juris | WL<br>Out Juris | Level of Ability to Speak<br>English Among Aged Five<br>Years and Older | Santa Cruz<br>County |  |
| Spanish   | 21.7%          | 7.2%                | 16.8%          | 2.7%            | "Less than very well"   | 10.2%                |  |
| English   | 78.3%          | 92.8%               | 83.2%          | 97.3%           | "Very well"   | 89.8%                |  |
| n =   | 5,727          | 10,115              | 3,287          | 6,828           | •   | 256,191              |  |

Table 1.5 highlights the language preference of the head of household for HA Families and Waiting List applicants, and the level of ability to speak English among Spanish speakers aged five years and older in Santa Cruz County. While these datapoints are not directly comparable, the figures are useful as a proxy measure regarding program and waiting list access for monolingual Spanish speakers. The percentage of HA Families whose head of household prefers to communicate in Spanish is 21.7%, more than double the 10.2% of the countywide Spanish-speaking population that speaks English "less than very well". This demonstrates that monolingual Spanish-speakers have been successfully accessing Housing Authority programs.

|  | <b>Table 1.6</b> – Presence of Minor Children in Household by<br>HA Families, HCV Waiting List, and Santa Cruz County |                     |                |                 |   |                      |  |  |
|--|---|---------------------|----------------|-----------------|---|----------------------|--|--|
| Presence<br>of Minor<br>Children             | HA<br>Families  | HCV<br>Waiting List | WL<br>In Juris | WL<br>Out Juris | Family* with Presence of<br>Own Minor Children                | Santa Cruz<br>County |  |  |
| Family<br>Has Minor<br>Children              | 36.1%   | 54.7%               | 52.3%          | 55.9%           | Family Has<br>Own Minor Children                              | 24.1%                |  |  |
| Family<br>Does Not<br>Have Minor<br>Children | 63.9%   | 45.3%               | 47.7%          | 44.1%           | Family Does Not Have<br>Own Minor Children and<br>Nonfamilies | 75.9%                |  |  |
| n =  | 5.727   | 10.115              | 3.287          | 6.828           | •   | 96.487               |  |  |

<sup>\*</sup> The Census Bureau defines a "family" as a household that consists of two or more related individuals. The HUD definition of a "family" includes single-person households and households where unrelated individuals live together.

Table 1.6 exhibits the presence of minor children in families of various populations. Over one third (36.1%) of HA Families have minor children in the household, compared to 24.1% Santa Cruz County families living with their own minor children. Within the HCV Waiting List, 54.7% of families have minor children, which is fairly even between in-jurisdiction households and out-of-jurisdiction households.

| Table 1.7 – Presence of Earned Income by<br>HA Families and Santa Cruz County |                |   |                      |  |  |  |
|---|----------------|---|----------------------|--|--|--|
| Presence<br>of Earned<br>Income   | HA<br>Families | Non-Elderly,<br>Non-Disabled<br>HA Families | Santa Cruz<br>County |  |  |  |
| Has Earned<br>Income  | 39.0%          | 64.6%                                       | 75.0%                |  |  |  |
| Does Not<br>Have Earned<br>Income   | 61.0%          | 35.4%                                       | 25.0%                |  |  |  |
| n =   | 5,727          | 2,605                                       | 96,487               |  |  |  |

Table 1.7 represents the percentage of families that have earned income (income from wages or salary). In Santa Cruz County, 75% of households have some form of earned income and 25% do not. Among HA Families overall, 39% have earned income. However, nearly two-thirds (64.6%) of non-elderly non-disabled HA Families have some form of earned income. These percentages align closer to the county-wide averages and demonstrate that the HA assists working families whose incomes are not sufficient to afford market rents.

| <b>Table 1.8</b> – Median Income of<br>HA Families by Household Size |                  |                                       |                          |  |  |  |  |
|--|------------------|---------------------------------------|--------------------------|--|--|--|--|
| Household<br>Size  | Median<br>Income | 2023 Extremely<br>Low-Income<br>Limit | Percentage<br>Difference |  |  |  |  |
| 1  | \$13,852         | \$38,050                              | 93.2%                    |  |  |  |  |
| 2  | \$23,372         | \$43,500                              | 60.2%                    |  |  |  |  |
| 3  | \$31,422         | \$48,950                              | 43.6%                    |  |  |  |  |
| 4  | \$37,666         | \$54,350                              | 36.3%                    |  |  |  |  |
| 5  | \$41,148         | \$58,700                              | 35.2%                    |  |  |  |  |
| 6  | \$39,829         | \$63,050                              | 45.1%                    |  |  |  |  |
| 7  | \$41,666         | \$67,400                              | 47.2%                    |  |  |  |  |
| 8  | \$54,985         | \$71,750                              | 26.5%                    |  |  |  |  |
| 9  | \$50,285         | \$76,100                              | 40.9%                    |  |  |  |  |
| 10   | \$44,205         | \$80,450                              | 58.2%                    |  |  |  |  |

Average percentage difference = 48.6%

n =

2,564

1,250

748

601

344

150

50

15

2

3

**Table 1.8** shows the median income of HA Families by household size, the 2023 extremely low-income (ELI) limit (which is defined as 30% of County median household income), and the percentage difference between those figures. For all household sizes, the median income for HA Families is well below the ELI limit, demonstrating that the majority of households assisted by the Housing Authority are Extremely Low-Income Families.

| <b>Table 1.9</b> – Median Annual Income of HA Families by Disability Status |                    |                        |  |  |  |  |
|---|--------------------|------------------------|--|--|--|--|
| Household<br>Size   | Disabled<br>Family | Not Disabled<br>Family |  |  |  |  |
| 1   | \$13,845           | \$14,658               |  |  |  |  |
| 2   | \$22,953           | \$24,096               |  |  |  |  |
| 3   | \$27,777           | \$32,791               |  |  |  |  |
| 4   | \$35,292           | \$37,700               |  |  |  |  |
| 5   | \$42,305           | \$40,685               |  |  |  |  |
| 6   | \$30,252           | \$39,916               |  |  |  |  |
| 7   | \$34,529           | \$44,192               |  |  |  |  |
| 8   | N/A                | \$54,985               |  |  |  |  |
| 9   | N/A                | \$50,985               |  |  |  |  |
| 10  | N/A                | \$44,205               |  |  |  |  |

| <b>Table 1.10</b> – Median Annual Income of<br>HA Families by Elderly Status |                   |                       |  |  |  |  |
|--|-------------------|-----------------------|--|--|--|--|
| Household<br>Size  | Elderly<br>Family | Not Elderly<br>Family |  |  |  |  |
| 1  | \$14,125          | \$13,845              |  |  |  |  |
| 2  | \$24,216          | \$22,412              |  |  |  |  |
| 3  | \$40,406          | \$30,039              |  |  |  |  |
| 4  | \$40,641          | \$37,176              |  |  |  |  |
| 5  | \$48,863          | \$40,126              |  |  |  |  |
| 6  | \$46,407          | \$39,829              |  |  |  |  |
| 7  | \$48,454          | \$41,666              |  |  |  |  |
| 8  | N/A               | \$54,985              |  |  |  |  |
| 9  | N/A               | \$50,285              |  |  |  |  |
| 10   | N/A               | \$44,205              |  |  |  |  |

| <b>Table 1.11</b> – Median Annual Income of HA Families by Language Preference |                      |                                |  |  |  |
|--|----------------------|--------------------------------|--|--|--|
| Household<br>Size  | Spanish<br>Preferred | Other<br>Language<br>Preferred |  |  |  |
| 1  | \$13,845             | \$13,992                       |  |  |  |
| 2  | \$24,665             | \$22,697                       |  |  |  |
| 3  | \$37,219             | \$28,472                       |  |  |  |
| 4  | \$42,694             | \$35,973                       |  |  |  |
| 5  | \$44,233             | \$38,550                       |  |  |  |
| 6  | \$37,067             | \$41,600                       |  |  |  |
| 7  | \$39,780             | \$43,676                       |  |  |  |
| 8  | \$39,114             | \$81,686                       |  |  |  |
| 9  | N/A                  | \$50,285                       |  |  |  |
| 10   | \$34,053             | \$44,205                       |  |  |  |

| <b>Table 1.12</b> – Median Annual Income of HA Families by Minor Children Status |                                  |                                   |  |  |  |
|--|----------------------------------|-----------------------------------|--|--|--|
| Household<br>Size  | Families<br>w/ Minor<br>Children | Families<br>w/o Minor<br>Children |  |  |  |
| 1  | N/A                              | N/A                               |  |  |  |
| 2  | \$20,118                         | \$25,338                          |  |  |  |
| 3  | \$27,232                         | \$43,552                          |  |  |  |
| 4  | \$36,724                         | \$48,347                          |  |  |  |
| 5  | \$40,502                         | \$52,385                          |  |  |  |
| 6  | \$39,829                         | N/A                               |  |  |  |
| 7  | \$41,666                         | N/A                               |  |  |  |
| 8  | \$54,985                         | N/A                               |  |  |  |
| 9  | \$50,285                         | N/A                               |  |  |  |
| 10   | \$44,205                         | N/A                               |  |  |  |

| <b>Table 1.13</b> – Median Annual Income of HA Families by Earned Income |                                 |                                  |  |  |  |
|--|---------------------------------|----------------------------------|--|--|--|
| Household<br>Size  | Families<br>w/ Earned<br>Income | Families<br>w/o Earned<br>Income |  |  |  |
| 1  | \$27,036                        | \$13,845                         |  |  |  |
| 2  | \$38,229                        | \$14,942                         |  |  |  |
| 3  | \$44,440                        | \$13,942                         |  |  |  |
| 4  | \$48,688                        | \$16,356                         |  |  |  |
| 5  | \$47,979                        | \$18,630                         |  |  |  |
| 6  | \$46,184                        | \$21,960                         |  |  |  |
| 7  | \$58,009                        | \$22,596                         |  |  |  |
| 8  | \$67,596                        | \$46,068                         |  |  |  |
| 9  | \$50,285                        | N/A                              |  |  |  |
| 10   | \$44,205                        | N/A                              |  |  |  |

| <b>Table 1.14</b> – Median Annual Income of HA Families by Homeless at Admission |                             |                                 |  |  |  |
|--|-----------------------------|---------------------------------|--|--|--|
| Household<br>Size  | Homeless<br>at<br>Admission | Not<br>Homeless at<br>Admission |  |  |  |
| 1  | \$14,195                    | \$13,845                        |  |  |  |
| 2  | \$20,390                    | \$23,582                        |  |  |  |
| 3  | \$23,485                    | \$33,182                        |  |  |  |
| 4  | \$22,371                    | \$39,588                        |  |  |  |
| 5  | \$39,785                    | \$41,188                        |  |  |  |
| 6  | \$49,322                    | \$39,313                        |  |  |  |
| 7  | \$33,932                    | \$42,624                        |  |  |  |
| 8  | \$115,676                   | \$53,303                        |  |  |  |
| 9  | N/A                         | \$50,285                        |  |  |  |
| 10   | \$44,205                    | \$34,053                        |  |  |  |

| <b>Table 1.15</b> – Median Annual Income of HA Families by Region of Residence |                    |          |                          |  |  |
|--|--------------------|----------|--------------------------|--|--|
| Household<br>Size  | North South County |          | San<br>Lorenzo<br>Valley |  |  |
| 1  | \$13,845           | \$13,846 | \$13,845                 |  |  |
| 2  | \$21,568           | \$25,225 | \$20,176                 |  |  |
| 3  | \$27,072           | \$35,210 | \$25,249                 |  |  |
| 4  | \$40,075           | \$37,743 | \$19,014                 |  |  |
| 5  | \$41,526           | \$41,278 | \$47,716                 |  |  |
| 6  | \$46,342           | \$34,862 | \$25,405                 |  |  |
| 7  | \$71,578           | \$45,760 | \$17,481                 |  |  |
| 8  | \$81,686           | \$53,303 | N/A                      |  |  |
| 9  | N/A                | \$50,285 | N/A                      |  |  |
| 10   | N/A                | \$34,053 | N/A                      |  |  |

**Tables 1.9-1.15** highlight the median incomes for HA Families by various characteristics. Disabled families generally have a lower median income than not disabled families, whereas elderly families have a greater median income than not elderly families. Families with minor children tend to have lower incomes than families without minor children.

## PROGRAM POPULATIONS – PERSONS EXPERIENCING HOMELESSNESS

This section explores demographics of the homeless population in Santa Cruz County and the population that was homeless at the time of admission to certain Housing Authority programs. The Housing Authority administers several referral-based homeless rental assistance programs, and the data is presented in both an aggregated and disaggregated format.

| <b>Table 1.16</b> – Percent of Housing Authority Participants that Were Homeless at Admission and a Comparison of Select Santa Cruz County Populations |                    |  |                                   |  |  |
|--|--------------------|--|-----------------------------------|--|--|
| Homeless at<br>Admission   | HA<br>Participants | Santa Cruz<br>County<br>Population       | Number or<br>Percent of<br>People |  |  |
| Yes  | 16.0%              | Homeless                                 | 1,804                             |  |  |
| No   | 84.0%              | 150% FPL                                 | 49,553                            |  |  |
| n =  | 12,671             | Homeless as<br>Percentage of<br>150% FPL | 3.6%                              |  |  |

Source of Santa Cruz County Data: HUD 2023 Point-in-Time Count

**Tables 1.16** shows the percentage of HA Participants that were homeless at time of admission to a Housing Authority program and a recent estimate of the Santa Cruz County homeless population. The countywide estimate is taken from the 2023 Point-In-Time Count, which is a visual observation of homelessness that occurs on a single night in January.

Overall, 16.0% of HA participants were homeless at admission, which demonstrates that the Housing Authority has been able to provide essential rental assistance to, and help house, an extremely vulnerable population. This figure has increased since last year, when the percentage of HA Participants that were homeless at admission was 14.3%.

| Table 1.17 – Race & Ethnicity of Various Homeless at Admission Populations<br>and the Santa Cruz County Homeless Population |                              |                                   |       |       |       |       |       |                        |
|---|------------------------------|-----------------------------------|-------|-------|-------|-------|-------|------------------------|
| Race or<br>Ethnicity  | All Homeless<br>at Admission | All Homeless<br>Referral Programs | EHV   | DMV   | VASH  | НҒМС  | S+C   | Santa Cruz<br>Homeless |
| Hispanic/<br>Latinx   | 48.7%                        | 45.0%                             | 56.4% | 35.7% | 24.9% | 77.8% | 25.0% | 43.6%                  |
| Not<br>Hispanic/<br>Latinx  | 50.3%                        | 53.7%                             | 42.1% | 64.3% | 74.4% | 18.4% | 73.2% | 56.4%                  |
| White   | 90.6%                        | 91.3%                             | 92.8% | 93.4% | 89.6% | 90.5% | 83.9% | 80.9%                  |
| Black/<br>African-<br>Amerian   | 4.6%                         | 4.2%                              | 3.0%  | 2.1%  | 6.2%  | 3.0%  | 7.1%  | 6.5%                   |
| Asian   | 0.3%                         | 0.2%                              | 0.2%  | 0.0%  | 0.0%  | 1.2%  | 0.0%  | 0.7%                   |
| Native<br>Hawaiian/<br>Pacific<br>Islander  | 0.7%                         | 1.0%                              | 0.7%  | 0.5%  | 1.4%  | 0.6%  | 1.8%  | 4.1%                   |
| American<br>Indian/<br>Alaskan<br>Native  | 1.6%                         | 1.8%                              | 1.6%  | 1.6%  | 1.6%  | 1.8%  | 5.4%  | 1.0%                   |
| Multiracial   | 2.2%                         | 1.5%                              | 1.4%  | 2.1%  | 0.9%  | 2.4%  | 1.8%  | 6.8%                   |
| n =   | 1,992                        | 1,360                             | 539   | 182   | 425   | 158   | 56    | 1,804                  |

Tables 1.17 presents the race and ethnicity of various referral-based rental assistance programs, the overall homeless at admission population, and the Santa Cruz County homeless population. The relevant programs include the Emergency Housing Voucher (EHV) Program, Disabled and Medically Vulnerable Homeless Persons (DMV) vouchers, the Veterans Affairs Supportive Housing (VASH) Program, Homeless Families with Minor Children (HFMC) vouchers, and the Shelter Plus Care (S+C) Program.

For the overall homeless at admission and the referral-based homeless at admission population, the Hispanic/Latinx and not Hispanic/Latinx populations are relatively similar to the Santa Cruz homeless population. However, the current homeless population has a larger proportion of Native Hawaiians or Pacific Islanders (4.1% compared to 0.7% and 1.0%), Blacks or African Americans (6.5% compared to 4.6% and 4.2%), and Multiracial individuals (6.8% compared to 2.2% and 1.5%).

When focusing on the specific programs, disparities become more significant. For example, Hispanic/Latinx participants comprise 48.7% of the homeless at admission population, but only 25.0% of the S+C population, which is for chronically homeless disabled persons, 24.9% of the VASH program, which is for homeless veterans and their homilies, and 35.7% of the DMV program, which is for disabled homeless persons. Conversely, Hispanic/Latinx individuals comprise most participants in the EHV and HFMC programs, at 56.4% and 77.8% respectively. Black or African Americans, Native Hawaiians or Pacific Islanders, and Multiracial individuals are under-represented across all referral programs, except the S+C Black or African population, compared to the countywide homeless population.

Compared to last year, the percentage of Hispanic/Latinx participants decreased within both the general homeless at admission population and the referral-based population, from 68.7% and 49.1% respectively. Black or African American representation decreased across the EHV, VASH, and HFMC programs, but increased in the S+C program, where there were previously no S+C participants. However, the general Santa Cruz County homeless population also experienced a decreased in Black or African American individuals, from 11.7% to 6.5% with the updated homeless census. For other races, representation fluctuated between increases and decreases among all the categories, which can primarily be attributed to their small sample sizes.

# PART 2: PROGRAM EXPERIENCES & PROGRAM OUTCOMES

The Housing Authority strives to ensure positive experiences and equitable outcomes for all populations served. This section explores data to identify areas where we may want to develop strategies in order to improve experiences and outcomes for participant families. This part consists of data on households in the tenant-based Housing Choice Voucher Program and the Project-Based Voucher Program, unless otherwise noted.

## **RENT BURDEN**

A household's rent burden is the percentage of monthly income that it spends on rent and utilities. HUD considers a rent burden of 30% or less to be affordable. The rental assistance provided by the HCV and PBV Programs is intended to cover the difference between 30% of a family's adjusted monthly income and the actual rent rate that's charged, in order to ensure affordability. A family is considered "rent-burdened" if they pay more than 30% of income on rent and is considered "severely rent-burdened" if they pay more than 50% of their income on rent.

In the PBV Program, the tenant's share of rent and utilities is set at 30% of their adjusted monthly income, and housing assistance payments cover the remaining balance. In the HCV Program, the family's share of rent and utilities is set at 30% of their adjusted monthly income, and the housing assistance payments will cover the difference up to the applicable payment standard for the family size. However, if the family rents a more expensive or larger unit, the gross rent (contract rent plus utility allowance) may exceed the payment

standard, and the family will have to cover the difference out-of-pocket. In these situations, the family will ultimately pay more than 30% of their monthly income.

Further, federal regulations require that a reduced rental assistance is provided to families which consist of a mix of members with eligible and ineligible immigration statuses. The reduced rental assistance is prorated based on the number of members with an eligible immigration status. For example, if a family would normally have a housing assistance payment of \$1,000 paid on their behalf, but two of the four family members have an ineligible immigration status, the housing assistance payment would be halved and equal \$500. The other \$500 that would normally be provided must now be covered out-of-pocket by the family. As a result, prorated families often experience very high rent burdens, even when they have the assistance of a voucher.

| <b>Table 2.1</b> – Level of Rent Burden by Select Housing Authority Populations and Santa Cruz County Renters |                                  |                      |                              |                              |  |  |
|---|----------------------------------|----------------------|------------------------------|------------------------------|--|--|
| Level of Rent<br>Burden   | All HCV/PBV<br>Assisted Families | Prorated<br>Families | Non-<br>Prorated<br>Families | Santa Cruz<br>County Renters |  |  |
| Less Than or<br>Equal to 30%  | 63.1%                            | 1.9%                 | 66.1%                        | 50.4%                        |  |  |
| Greater than<br>30% & Less<br>than 50%  | 26.8%                            | 33.6%                | 26.5%                        | 21.8%                        |  |  |
| Greater than or Equal to 50%  | 10.1%                            | 64.5%                | 7.4%                         | 27.8%                        |  |  |
| n =   | 5,656                            | 265                  | 5,391                        | 38,635                       |  |  |

Table 2.1 highlights the level of rent burden experienced by all HCV/PBV families, prorated families, all non-prorated families, and renters in Santa Cruz County. Half (50.4%) of Santa Cruz County renters have rent burdens of 30% or less, whereas nearly two thirds (63.1%) of assisted families have rent burdens of 30% or less. Further, 27.8% of Santa Cruz County renters face rent burdens of 50% or greater, whereas only 10.1% of assisted families face rent burdens of 50% or greater. This data indicates that voucher program participants have lower rent burdens then renters overall, successfully keeping tenant rents affordable for the majority of families we assist.

However, nearly two thirds (64.5%) of prorated families experience rent burdens of 50% or greater, and only 1.9% of prorated families pay an affordable rent through the HCV and PBV Programs. These figures highlight how the HCV and PBV regulations fail to provide an adequate level of rental assistance and disproportionately impact prorated families, most of which are Hispanic/Latinx.

| <b>Table 2.2</b> – Level of Rent Burden of Housing Authority Families by Race and Ethnicity |                           |                                    |                                 |       |  |
|---|---------------------------|------------------------------------|---------------------------------|-------|--|
| Race or<br>Ethnicity  | Less Than or Equal to 30% | Greater than 30% but Less than 50% | Greater than or<br>Equal to 50% | n =   |  |
| Hispanic/<br>Latinx   | 53.4%                     | 32.9%                              | 13.7%                           | 3,162 |  |
| Not<br>Hispanic/<br>Latinx  | 75.4%                     | 19.0%                              | 5.5                             | 2,494 |  |
| White   | 62.7%                     | 26.9%                              | 10.4%                           | 5,248 |  |
| Black/<br>African-<br>American  | 68.3%                     | 23.9%                              | 7.8%                            | 180   |  |
| Asian   | 66.1%                     | 26.8%                              | 7.1%                            | 56    |  |
| Native<br>Hawaiian/<br>Alaska<br>Native   | 68.0%                     | 32.0%                              | 0.0%                            | 25    |  |
| Multiple  | 73.7%                     | 21.1%                              | 5.3%                            | 90    |  |
| White<br>Alone, not<br>Hispanic/<br>Latinx  | 76.0%                     | 18.6%                              | 5.4%                            | 2,185 |  |

Table 2.2 shows the level of rent burden of HA Families by race and ethnicity. About three-quarters (75.4%) of non-Hispanic/Latinx families have rent burdens of 30% or less, compared to about half (53.4%) of Hispanic/Latinx families. This disparity is likely influenced by the high proportion of prorated families that identify as Hispanic/Latinx.

The level of rent burden across each race is relatively similar, with families that identify as multiple races experiencing the lowest rates of rent burdens greater than 30% (26.4%), and White alone families experiencing the highest rate of rent burdens greater than 30%, at 37.4% of families. However, the reverse is true among White alone families that are not Hispanic/Latinx, where 24.0% of families face rent burdens greater than 30%.

| <b>Table 2.3</b> – Level of Rent Burden by Select Housing Authority Populations |   |       |       |       |
|---|---|-------|-------|-------|
| Elderly   | Elderly Less Than or Greater than 30% Greater than or Equal to 30% but Less than 50% Equal to 50% |       |       |       |
| Yes   | 77.5%   | 17.0% | 5.6%  | 2,070 |
| No  | 54.8%   | 32.5% | 12.7% | 3,586 |

| Disabled |       | Greater than 30% but Less than 50% |       |     |
|----------|-------|------------------------------------|-------|-----|
| Yes      | 75.8% | 18.2%                              | 6.1%  | 2,1 |
| No       | 55.2% | 32.2%                              | 12.6% | 3,4 |

| Homeless at<br>Admission |       | Greater than 30% but Less than 50% |       |       |
|--------------------------|-------|------------------------------------|-------|-------|
| Yes                      | 68.0% | 24.8%                              | 7.2%  | 1,187 |
| No                       | 61.8% | 27.3%                              | 10.9% | 4,469 |

| Presence<br>of Minor<br>Children |       | Greater than 30% but Less than 50% | Greater than or Equal to 50% |       |
|----------------------------------|-------|------------------------------------|------------------------------|-------|
| Yes                              | 51.0% | 33.2%                              | 15.8%                        | 2,038 |
| No                               | 69.9% | 23.2%                              | 6.9%                         | 3,618 |

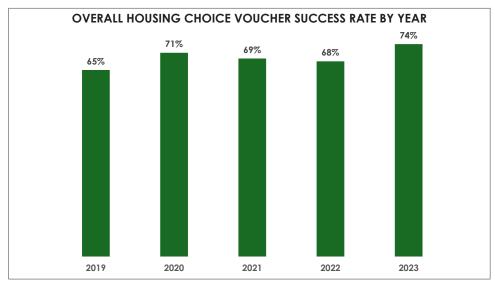
Table 2.3 shows the level of rent burden of select HA populations. For elderly families, 77.5% have rent burdens of 30% or less, compared to 54.8% of non-elderly families. Similarly, 75.8% of disabled families pay no more than 30% of their income, compared to 55.2% of non-disabled families. This data indicates that the HCV and PBV Programs are successfully keeping rents affordable for two populations that often have some of the lowest incomes.

Further, about half of families with minor children (49.0%) are rent-burdened or severely rent-burdened, compared to 30.1% of families without minor children. This may be related to larger family sizes choosing to rent larger units.

## HOUSING CHOICE VOUCHER SUCCESS RATES

When families receive a Housing Choice Voucher, they must find housing in the private rental market with a housing provider who will accept a voucher. It is very challenging for households at any income level to find rental housing in Santa Cruz County, but even more so for households with a voucher, as some housing providers may be reluctant to participate in the program. Families are given a search time of at least 180 days, with one extension of an additional 90 days. Households with a disability often receive further search time extensions as a reasonable accommodation.

The following data summarizes voucher success rates, as measured by the percentage of households receiving a voucher that find a unit, move in, and begin receiving rental assistance through the voucher program.

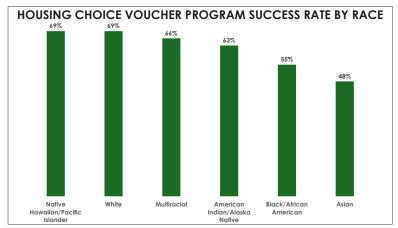


Graph 2.1

**Graph 2.1** shows the overall HCV success rate by year. Since 2019, the success rate has improved. In 2020, year one of the COVID-19 pandemic, Housing Authority staff anecdotally heard that landlords were more receptive to tenants with vouchers at that time, as the landlord would continue to receive full rent payments even if the tenant had a decrease in income.

During that time, landlords with HCV units were somewhat insulated from the financial impacts of the pandemic, compared to non-voucher landlords who had tenants that could not afford to pay during that time. Years 2021 and 2022 showed a minor drop from 2020, but still higher than 2019. In 2023, nearly three-quarters of families (74%) who were issued a voucher were able to secure housing and lease up. While no current data exists on national or statewide voucher success rates, HUD published a study in February 2023 that reported a national average success rate of 61%.

While the Housing Authority strives to continue to increase voucher success rates, it is noteworthy to achieve success rates higher than the national average in one of the most expensive and competitive rental markets in the country.



HOUSING CHOICE VOUCHER PROGRAM SUCCESS RATE BY ETHNICITY

71%

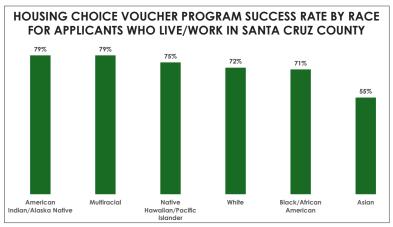
67%

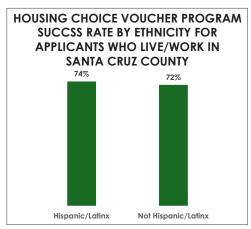
Hispanic/Latinx

Not Hispanic/Latinx

Graph 2.2

Graph 2.3



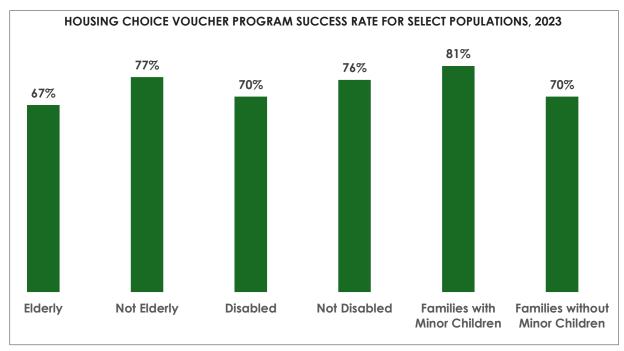


Graph 2.4

Graph 2.5

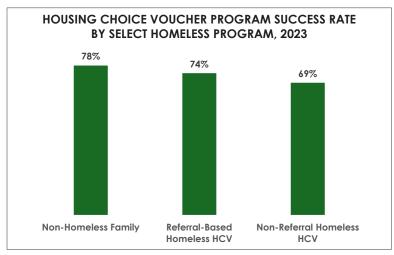
**Graph 2.2** highlights the overall success rate by race and Graph 2.3 highlights the overall success rate by ethnicity. Graph 2.4 represents the overall success rate by race for applicants who live and/or work in Santa Cruz County, and Graph 2.5 represents the overall success rate by ethnicity for applicants who live and/or work in Santa Cruz County.

Success rates for Black and Asian applicants are lower than other groups in both samples, but the larger disparity in the overall success rate is correlated to whether the family is an in-county or out-of-county applicant. Historically, out-of-county applicants are much less likely to secure housing in Santa Cruz County with a voucher. When considering only local applicants, Black or African American applicants successfully lease up at a relatively similar rate to the remaining cohorts. However, the success rate for Asian applicants remains lower than other groups.



Graph 2.6

**Graph 2.6** shows the success rates for selected populations in the past year. These data show that elderly families have a lower success rate (67%) than non-elderly families (77%), as do disabled families (70%) when compared to non-disabled families (76%). However, families with minor children have a greater success rate (81%) than families without minor children (70%).



Graph 2.7

**Graph 2.7** exhibits the success rates among select homeless populations. Overall, the success rate is similar among the three categories, but families that were not homeless at admission have the highest success rate (78%). Families referred for through homeless voucher program had better success rates (74%) than families that were homeless and issued a general purpose voucher (69%).

The higher success rate for referral based homeless voucher programs is likely related to case management, housing navigation, and landlord incentives that are exclusively available through referral based voucher programs.

## HOUSING SEARCH

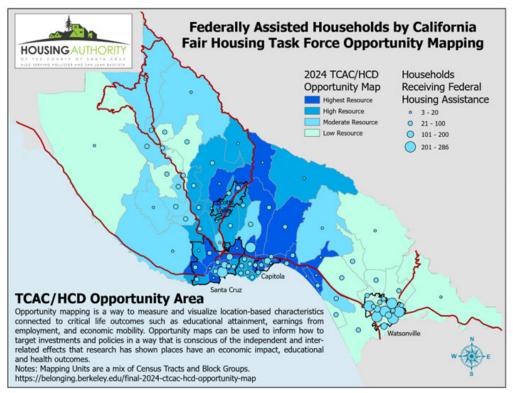
As one of the most competitive rental markets in the country, finding rental housing in Santa Cruz County can be difficult for households at any income level. Assisted families often face further challenges. The Housing Authority conducted a survey of all assisted families with vouchers to identify disparities in program experiences and outcomes. This section explores the respondents' answers and examines the barriers that families may have faced as they searched for their next home.

| Table 2.4 – Reported Discrimination During Housing Search in Past Five Years by Select Populations |  |   |  |  |
|--|--|---|--|--|
| Ethnicity  | Experienced Discrimination of Any Kind | Experienced Source of Income/Voucher Discrimination |  |  |
| Hispanic/Latinx  | 40.7%                                  | 21.7%   |  |  |
| Not<br>Hispanic/Latinx   | 53.5%                                  | 27.1%   |  |  |
| Elderly  |  |   |  |  |
| Yes  | 36.2%                                  | 21.6%   |  |  |
| No   | 56.7%                                  | 23.6%   |  |  |
| Disabled   |  |   |  |  |
| Yes  | 50.6%                                  | 24.7%   |  |  |
| No   | 48.7%                                  | 23.5%   |  |  |
| Minor Children   |  |   |  |  |
| Yes  | 56.9%                                  | 24.6%   |  |  |
| No   | 44.7%                                  | 25.9%   |  |  |

Table 2.4 shows the discrimination that families reported they had faced in the past five years during their housing search. The percentage of families that were perceived to have been discriminated against due to their source of income was relatively similar across each group, between 21.6% and 27.1%. More than half (56.9%) of families with minor children reported experiencing discrimination, more than any other cohort. Elderly families and Hispanic/Latinx families reported less discrimination than their non-elderly and non-Hispanic or Latinx counterparts. Additionally, disabled families reported experiencing discrimination at roughly similar rates to non-disabled families (50.6% and 48.7% respectively).

## ACCESS TO HIGH-RESOURCE AND LOW-POVERTY AREAS

Housing Authority staff examined data regarding the access that program participants have to high-resource and low-poverty areas. A high-resource area is a zone that has strong access to essential needs, such as jobs, transportation, quality housing options, and common neighborhood amenities like grocery stores. Low-poverty neighborhoods and high-resource areas often overlap.

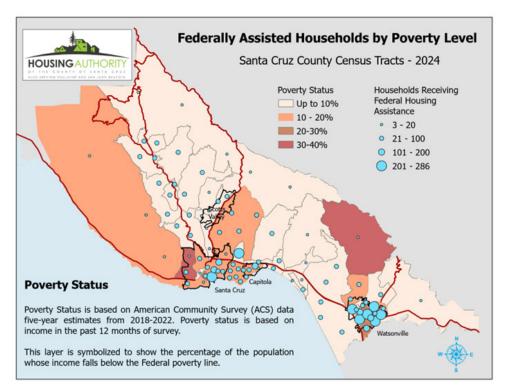


Map 2.1

| <b>Table 2.5</b> – Families Living in Santa Cruz County by Census Tract Opportunity Level        |       |       |  |  |  |
|--|-------|-------|--|--|--|
| Opportunity Level of Census Tract  Santa Cruz County Assisted Families  Santa Cruz County County |       |       |  |  |  |
| High or Highest<br>Resource  | 45.6% | 60.4% |  |  |  |
| Moderate<br>Resource   | 2.5%  | 7.5%  |  |  |  |
| Low Resource   | 51.9% | 32.1% |  |  |  |

n = 5,154

Map 2.1 and Table 2.5 show families living in Santa Cruz County by opportunity zone. More than half of all assisted families (51.9%) live in low-resource areas, compared to 32.1% of the general population. Additionally, 45.6% of assisted families live in high- or highest-resource areas, whereas 60.4% of the general population lives in such areas.



Map 2.2

| Table 2.6 – Families Living in Santa Cruz County<br>by Census Tract Poverty Level |       |       |  |  |
|---|-------|-------|--|--|
| Poverty Level of Census Tract  Santa Cruz County Santa Cruz County County         |       |       |  |  |
| High-Poverty<br>(>=20%)   | 7.1%  | 7.5%  |  |  |
| Low-Poverty<br>(<20%)   | 92.9% | 92.5% |  |  |

n = 5,154

Map 2.2 and Table 2.6 display the families that are living in high- and low-poverty areas in Santa Cruz County. A low-poverty area is typically defined as a census tract in which the poverty rate is less than 20%. The percentage of assisted families that live in low-poverty areas is 92.9%, which is slightly greater than the 92.5% rate in the general population.

Table 2.7, on the next page, shows select populations of Housing Authority-assisted families in Santa Cruz County by census tract opportunity level. The data suggests that racial minority households are more likely to find residence in higher-resource areas than not, including Black or African American families (69.0%), Asian families (72.7%), American Indian or Alaska Native families (59.7%), and Multiracial families (57.1%).

For all of these groups, the rate was higher than the average for all assisted families (45.1%). However, Hispanic or Latinx families fall below the average, with only 25.7% living in higher-resource areas, and 73.4% living in low-resource areas. Nonetheless, the percentage of Hispanic/Latinx families living in higher-resource areas has more than doubled, up from last year's 14.5%.

Other populations that have been able to successfully access higher-resource areas include elderly families (52.0%), disabled families (56.7%), and families that were homeless at admission (53.0%). Though, just 31.0% of families with minor children resided in higher-resource areas.

| <b>Table 2.7</b> – Select Populations of Santa Cruz County<br>Assisted Families by Census Tract Opportunity Level |                            |      |                 |       |
|---|----------------------------|------|-----------------|-------|
|   | High & Highest<br>Resource |      | Low<br>Resource | n =   |
| Santa Cruz<br>County Assisted<br>Families   | 45.1%                      | 3.5% | 51.4%           | 5,168 |
| Elderly   | 52.0%                      | 4.1% | 43.9%           | 1,922 |
| Not Elderly   | 41.1%                      | 3.1% | 55.8%           | 3,246 |
| Disabled  | 56.7%                      | 5.1% | 38.2%           | 2,000 |
| Not Disabled  | 37.8%                      | 2.5% | 59.7%           | 3,168 |
| Homeless at<br>Admission  | 53.0%                      | 7.2% | 39.8%           | 1,058 |
| Not Homeless<br>at Admission  | 43.1%                      | 2.6% | 54.4%           | 4,110 |
| With Minor<br>Children  | 31.%                       | 2.3% | 66.7%           | 1,804 |
| Without Minor<br>Children   | 52.7%                      | 4.1% | 43.2%           | 3,364 |
| Hispanic/Latinx   | 25.7%                      | 1.0% | 73.4%           | 2,816 |
| Not<br>Hispanic/Latinx  | 52.7%                      | 4.1% | 43.2%           | 2,352 |
| White   | 43.6%                      | 3.5% | 52.9%           | 4,796 |
| Black/African<br>American   | 69.0%                      | 1.8% | 29.2%           | 168   |
| Asian   | 72.7%                      | 1.8% | 25.5%           | 55    |
| Native<br>Hawaiian/<br>Pacific Islander   | 47.8%                      | 4.3% | 47.8%           | 23    |
| American<br>Indian/Alaska<br>Native   | 59.7%                      | 5.2% | 35.1%           | 77    |
| Multiracial   | 57.1%                      | 8.2% | 34.7%           | 49    |

**Table 2.8**, on the next page, highlights select populations of Housing Authority-assisted families in Santa Cruz County by census tract poverty level.

As with opportunity zones, elderly families (93.9%), disabled families (94.0%), and families that were homeless at admission (93.7%) were able to access low-poverty areas at a rate greater than the overall rate for assisted families (92.9%). Further, Black or African American families (98.2%) and Multiracial (93.9%) families were able to access higher-resource areas at rates greater than the overall (92.9%). Overall, there was less divergence in the demographic breakdown by poverty level, with at least 90% of all identified groups residing in low-poverty census tracts

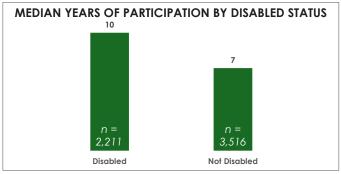
| Table 2.8 – Select Housing Authority Populations by Census Tract Poverty Level |                       |                         |       |  |
|--|-----------------------|-------------------------|-------|--|
|  | Low-Poverty<br>(<20%) | High-Poverty<br>(>=20%) | n =   |  |
| Santa Cruz<br>County Assisted<br>Families                                      | 92.9%                 | 7.1%                    | 5,168 |  |
| Elderly  | 93.9%                 | 6.1%                    | 1,922 |  |
| Not Elderly  | 92.3%                 | 7.7%                    | 3,246 |  |
| Disabled   | 94.0%                 | 6.1%                    | 2,000 |  |
| Not Disabled   | 92.2%                 | 7.8%                    | 3,168 |  |
| Homeless at<br>Admission   | 93.7%                 | 6.3%                    | 1,058 |  |
| Not Homeless<br>at Admission   | 92.7%                 | 7.3%                    | 4,110 |  |
| With Minor<br>Children   | 91.4%                 | 8.6%                    | 1,804 |  |
| Without Minor<br>Children  | 93.6%                 | 6.4%                    | 3,364 |  |
| Hispanic/Latinx  | 90.7%                 | 9.3%                    | 2,816 |  |
| Not<br>Hispanic/Latinx   | 95.5%                 | 4.5%                    | 2,352 |  |
| White  | 92.7%                 | 7.3%                    | 4,796 |  |
| Black/African<br>American  | 98.2%                 | 1.8%                    | 168   |  |
| Asian  | 90.9%                 | 9.1%                    | 55    |  |
| Native<br>Hawaiian/<br>Pacific Islander  | 91.3%                 | 8.7%                    | 23    |  |
| American<br>Indian/Alaska<br>Native  | 90.9%                 | 9.1%                    | 77    |  |
| Multiracial  | 93.9%                 | 6.1%                    | 49    |  |

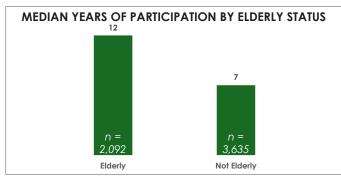
## **LENGTH OF PARTICIPATION**

The length of participation is a metric that could be interpreted in several ways. Positively, receiving rental assistance for many years reflects that the household is stably housed with an affordable rent. Inversely, a prolonged period of participation may mean that the households have limited upward social mobility as they have remained income-eligible for a long period of time.

**Table 2.9** displays the length of participation for Housing Authority Families.

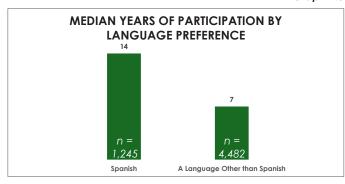
| <b>Table 2.9</b> – Length of Participation for Housing Authority Families |       |       |  |  |
|---|-------|-------|--|--|
| Years of Number of Percent Participation Families Families                |       |       |  |  |
| 0 – 5 Years   | 2,172 | 37.9% |  |  |
| 6 – 10 Years  | 980   | 17.1% |  |  |
| 11 – 15 Years   | 759   | 13.3% |  |  |
| 16 – 20 Years   | 643   | 11.2% |  |  |
| 21 – 25 Years   | 708   | 12.4% |  |  |
| 26(+) Years   | 465   | 8.1%  |  |  |

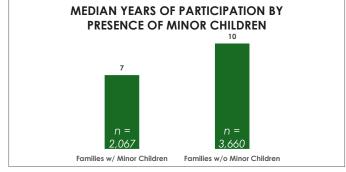




Graph 2.8

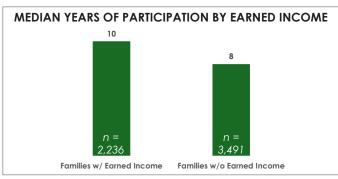
Graph 2.9

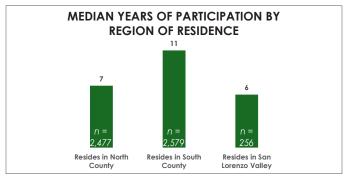




Graph 2.10

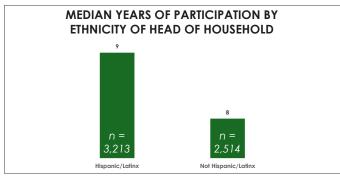
Graph 2.11

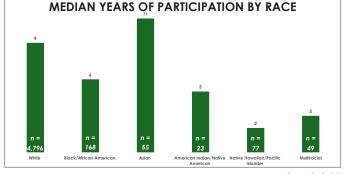




Graph 2.12

Graph 2.13





Graph 2.14

Graph 2.15

**Table 2.9** and **Graphs 2.8-2.15**, show various lengths of participation. The largest group of households (37.9%) have participated in a Housing Authority program for five years or less, and relatively few households (8.1%) have participated in a Housing Authority program for more than 25 years.

Elderly families, disabled families, monolingual Spanish-speaking families, families without minor children, families with earned income, families that were not homeless at admission, and families residing in South County all have median lengths of participation greater than the overall median of nine years. Finally, Asian families and White alone families have median lengths of participation at or greater than the median of nine years, whereas Black or African American, American Indian or Native American, Native Hawaiian or Pacific Islander, and Multiracial families have lengths of participation less than the median.

## "GRADUATING" FROM THE VOUCHER PROGRAM (ZERO HAP)

When a program participant's income increases to the point that their 30% contribution toward rent covers the entire contract rent, the rent rate is considered affordable to the household and the Housing Authority stops issuing housing assistance payments to the owner. This situation is known as zero housing assistance payment ("Zero HAP"). In the HCV Program, the Housing Assistance Payments Contract (HAP Contract) terminates automatically after a certain number of days of Zero HAP.

Prior to 2023, rental assistance would terminate after 180 days of zero HAP, but this was extended to 360 days in 2023. Generally, the participant is also terminated from the program to free the voucher for another household on the HCV Waiting List. In the PBV Program, the 180 day period applies, and the household must vacate the PBV unit to ensure that it is available to another household from the Waiting List or referral program, or the PBV unit must be removed from the PBV HAP Contract to ensure that it's available again as a tenant-based voucher.

During the Zero HAP period, if the tenant's income decreases or the rent rate increases and the unit is no longer affordable, the assistance will continue. This grace period provides households some time to stabilize their living situation. This outcome can be used as a proxy measure for the number of participants that achieved upward social mobility and no longer require rental assistance.

This section provides information about Zero HAP outcomes. From January 2019 through March 2024, 46 families maintained a zero HAP position and graduated from the program. Given the small sample sizes compared to the total number of families in the voucher program, a rate of Zero HAP ("Rate Zero HAP") outcomes has been calculated by taking the number of Zero HAP ("# Zero HAP") outcomes, as divided by the total number of families in each group.

| <b>Table 2.9</b> – Number and Rate of Zero HAP Outcomes by Select Housing Authority Populations |            |                  |                       |  |
|---|------------|------------------|-----------------------|--|
|   | # Zero HAP | Rate Zero<br>HAP | Number of<br>Families |  |
| Disabled  | 7          | 0.3%             | 2,211                 |  |
| Not Disabled  | 39         | 1.1%             | 3,516                 |  |
| Elderly   | 12         | 0.6%             | 2,092                 |  |
| Not Elderly   | 34         | 0.9%             | 3,635                 |  |
| Spanish<br>Preference   | 9          | 0.7%             | 1,245                 |  |
| Spanish Not<br>Preference   | 37         | 0.8%             | 4,482                 |  |
| Families w/<br>Minor Children   | 19         | 0.9%             | 2,067                 |  |
| Families w/o<br>Minor Children  | 27         | 0.7%             | 3,660                 |  |
| Homeless at<br>Admission  | 4          | 0.3%             | 1,209                 |  |
| Not Homeless<br>at Admission  | 42         | 0.9%             | 4,519                 |  |
| Head of<br>Household<br>Hispanic/Latinx   | 28         | 0.9%             | 3,213                 |  |
| Head of<br>Household Not<br>Hispanic/Latinx   | 18         | 0.7%             | 2,514                 |  |

**Table 2.10** indicates the number and rate of zero HAP outcomes by select Housing Authority populations. Non-disabled families graduate from the voucher program at almost four times the rate of disabled families, at 1.1% and 0.3% respectively. The same can be said for families that were not homeless at admission, graduating at a rate of 0.9%, three times greater than those who were homeless at admission (0.3%).

Elderly families graduate at a rate of 0.6%, less than not elderly families who graduate at a rate of 0.9%. Families with minor children and Hispanic/Latinx families have a graduation rate of 0.9%, whereas families without minor children and not Hispanic/Latinx families have a rate of 0.7%.

From last year, these figures represent a minor rate decrease for elderly families (0.7%), but a minor increase for not elderly (0.7%) and not disabled families (1.0%). However, the rate of Zero HAP for Hispanic/Latinx families more than doubled, up from 0.4%.

## PART 3: PROGRAMS AND GOALS

## PROGRESS ON 2023 EQUITY REPORT CARD GOALS

1. Begin working on 2025 Agency 5-Year Plan by establishing a set of Agency Core Values and updating Agency Mission Statement to include equity.

On February 28, 2024, the Board of Commissioners adopted the following Agency Core Values and Mission Statement

- CORE VALUES
  - Equity
  - Integrity
  - Community
  - Respect
  - Compassion
  - Service
- Mission Statement
  - The Housing Authority of the County of Santa Cruz is committed to advancing access to affordable housing and a thriving community free from discrimination by providing affordable housing and delivering inclusive services to our diverse community with compassion and kindness. Our mission extends beyond shelter, utilizing housing as a catalyst to promote equity, economic mobility, dignity, stability, improved quality of life, and a place to call home.
- 2. Establish an understanding of equity and inclusion principles:
  - a. Annual Diversity, Equity, and Inclusion (DEI) training for staff, with alternating topics including but not limited to:
    - i. Overview of DEI in the workplace
    - ii. Implicit bias
    - iii. Gender identity and pronouns
    - iv. Microaggressions

The Housing Authority of the County of Santa Cruz has begun working with a firm called Inclusivy for DEI training for all staff. The Inclusivy approach includes a series of monthly trainings on a variety of topics, shown below. Each of the trainings include time for discussion and are followed by additional materials that attendees can read, watch, or listen to for more information or a deeper level of engagement. Inclusivy



offers an Inclusion and Belonging Journey which is available to all staff, as well as a series of Leadership oriented courses on the same monthly cycle that are available to managerial staff.

- 3. Engage affected populations and stakeholders.
  - a. Work toward increasing diversity and representation at the management and supervisory level:
    - i. Provide opportunities for staff education, training, professional and career development to promote economic empowerment and to add diversity and representation at the supervisor and management level.

Housing Programs and Administrative Services supervisors attended a twelve-week Leadership training at Cabrillo College. Additionally, Director level staff and Analysts have attended statewide and regional conferences of the California Association of Housing Authorities (CAHA), the National Association of Housing and Redevelopment Officials (NAHRO) and Housing California.

ii. Receive consultation on best practices related to working of job descriptions, employee outreach, and recruitment to receive a more diverse set of candidates for open management and supervisorial positions.

The Housing Authority has recently conducted a salary compensation study, conducted by Koff and Associates. As part of this compensation study, the consultant reviewed job descriptions to ensure they are focused on the work performed and that the minimum qualifications do not set up artificial barriers to entry. Additionally, the Housing Authority has expanded on outreach strategies for all open positions and has worked with CPS HR Consulting to assist in the outreach and recruitment for key management positions to help ensure a diverse pool of candidates.

b. Conduct resident survey of assisted households to receive feedback on challenges, barriers, and other equity issues. The survey will include questions about what equity related challenges households have experienced and any solutions they may have to promote equity in our programs.

The Housing Authority contracted with Zilo International Survey Group to conduct a stakeholder survey of residents of HA owned properties, households receiving tenant based rental assistance, and landlords. The survey included questions related to equity challenges, barriers to accessing programs and services, and discrimination experienced during the housing search. Data from the survey is helping to inform improvements to Housing Authority programs and services.

c. Increase engagement with key partner agencies working most closely with the populations we serve and/or under-represented groups, including but not limited to Community Action Board, Community Bridges, Senior Legal Services, CRLA, National Association for the Advancement of Colored People, and other partner agencies to share information from the Equity Report Card, to receive additional feedback related to improving equity and to strength our partnerships.

The Housing Authority has increased engagement with many key partner agencies, to share information from the Equity Report card and to receive additional feedback related to improving equity in our programs. Highlights of this increased engagement include:

- i. Collaborating with the Public Defender's Office, Housing for Health, Housing Matters, and other stakeholders to update procedures related to consideration of criminal history in program admissions to respond to updated guidance from HUD's office of fair housing and concerns from community partners.
- ii. Discussions of race equity and under-representation of black applicants to homeless targeted voucher programs with Housing For Health, Housing Matters, Veterans Administration, Homeless Persons Health Project and other partners. Over the course of the year, this increased engagement has resulted in increasing awareness of issues related to underrepresentation and decreasing racial disparities in homeless targeted voucher programs.
- iii. Discussions with Community Action Board regarding rent burden for assisted families, particularly farmworker families and families that include household members without legal residency and eviction prevention.
- iv. Collaboration with Senior Legal Services and California Rural Legal Association (CRLA) regarding housing mobility, housing discrimination, and educating tenants on their rights.
- v. Discussions with the National Association for the Advancement of Colored People (NAACP) about Equity and Housing Issues, including discussions of housing opportunities and housing discrimination.
- vi. Participation in over a dozen Affordable Housing Month events including groundbreakings, grand openings, a landlord appreciation event, tenants' rights forum, and participation in the March to End Homelessness.
- 4. Update Equity Report Card and Action Plan annually. Address existing disparities in representation and outcomes including development of strategies to achieve the following equity goals:
  - a. Increase the number and percentage of seniors on Housing Authority programs and waiting lists.

The percentage of seniors on Housing Authority programs has increased by over 5% since last year and is proportional to seniors in the income eligible population. However, seniors do remain under-represented on the HCV Waiting List. It is not possible to increase the number of seniors on the HCV Waiting List while it is closed, but seniors can add their name to the two open site-based waiting lists for PBV projects that are set aside for elderly families. The Housing Authority has reached out to senior-serving community partners to advertise these waiting lists, such as Senior Network Services and Senior Legal Services. Additionally, Agency staff plan to do targeted outreach intended to encourage seniors to apply when we reopen the waiting list.

b. Increase voucher success rate of Asian families, and percentage of Asian families in Housing Authority programs and waiting lists.

Although the success rate of Asian voucher households remains lower than other groups, the Asian voucher success rate has been increasing somewhat in recent years. The 5 year average success rate for Asians during 2019 – 2023 is 48%, with a rate of 55% in 2022, and 57% in 2023. Additionally, although the sample sizes are extremely low when disaggregating further to local applicants that live or work in Santa Cruz County, Asian voucher households eligible for the live / work waiting list preference have had a 100% voucher utilization rate over the past two years. It is not possible to increase the number of Asian families on Housing Authority waiting lists while the waiting list is closed. However, Agency staff plan to do targeted outreach intended to encourage Asian families to apply when we reopen the waiting list.

c. Increase the number of Black households in homeless targeted voucher programs.

Black households continue to be under-represented across all homeless referral programs except S+C, compared to the countywide homeless population. However, the most recent Point in Time Homeless Census also resulted in a significant change to the projected demographics of the homeless community, reducing the estimate of Black residents from 11.7% to 6.5% of the overall homeless population. Therefore, although Black households continue to be underrepresented in homeless referral programs, the underrepresentation has decreased. Staff continue to engage with community partners to consider potential barriers and to promote equity in program referrals.

d. Increase the percentage of Hispanic and Latinx households that are living in high-opportunity areas.

The percentage of Hispanic/Latinx households living in high-opportunity areas has increased from 14.7% to 25.7%. While this data demonstrates significant improvement, it must be considered conservatively since many areas were reclassified from moderate-resource to high-resource. As such, much of this increase is most likely related to the opportunity level re-classification, and it is not possible to isolate how much of this increase is associated to the physical movement of families to high-opportunity areas.

- 5. Conduct systems analysis of root causes of inequity, identify strategies to address inequities, conduct equity impact analysis in policy development, and continue a cycle of data collection, evaluation, and strategy development:
  - a. Expanded DEI training for supervisors, analysts, and management on topics including:
    - i. Understanding systemic racism and operationalizing equity
  - b. Annie E. Casey Foundation Results Count Equitable Results Sequence
  - c. Race Forward Equity Impact Analysis
  - d. Trauma-Informed Program Management

Housing Authority staff are currently in discussion with the Race Matters Institute regarding training and technical assistance on application of the Racial Equity Impact Analysis tool.

## 2024 EQUITY REPORT CARD GOALS

- 1. Expand understanding of equity and inclusion principles.
  - a. Continued Annual Diversity, Equity, and Inclusion (DEI) training for staff.
  - b. Expanded DEI training for supervisors, analysts, and/or management.
  - c. Establish staff equity committee that will work with management team to promote equity by:
    - i. Providing information and recommendations on workplace culture and issues of equity in the workplace.
    - ii. Providing recommendations on training and learning opportunities to deepen employees' engagement in and understanding of equity.
- 2. Work toward increasing diversity and representation at the management and supervisory level:
  - a. Provide opportunities for staff education, training, professional and career development to promote economic empowerment and to add diversity and representation at the supervisor and management level.
- 3. Increase access to Housing Authority programs through Waiting List Refresh and Re-Opening the Waiting List.
  - a. Complete Verification of Continued Interest and Update application information for all waiting list applicants on Housing Choice Voucher waiting list.
  - b. Develop plan to re-open the waiting list. Explore models that would allow for a continually open waiting list to promote access to Housing Authority programs.
  - c. Develop outreach strategies to reach persons least likely to apply and underrepresented groups

including Asian and senior households.

- d. Evaluate waiting list application forms and processes to ensure that they adequately eliminate barriers related to computer and internet access, language, and other potential barriers.
- 4. Promote housing mobility and mitigate housing discrimination.
  - a. Tenant Rights and Responsibilities and Fair Housing Workshops
  - b. Landlord Rights and Responsibilities Workshops
  - c. Strengthen partnership with legal advocacy groups
- 5. Reduce Rent Burden of Households with Mixed Citizenship Status
  - a. Request and implement HUD waiver to standardize proration of mixed citizenship status households.

#### AGENDA ITEM SUMMARY

MEETING DATE: June 26, 2024 ITEM NUMBER: 8

**FROM:** Exec. Director; Deputy Exec. Director

**SUBJECT:** Director's Report – June 26, 2024

**RECOMMENDATION:** Receive Report

#### **BACKGROUND SUMMARY:**

Please call or e-mail me with questions you might have on any of the Agenda Items for the June 26, 2024 meeting. My phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

Natural Bridges Apartments – Recent work completed includes the installation of juliet balcony railing on the exterior of the building, installation of countertops, door hardware, bath accessories, and cabinet doors. Flooring throughout the building is complete. Upcoming work includes the installation of the site fencing, relocation of a fire hydrant, installation of bio pod and landscaping sleeves and driveway paving. Appliances, which include refrigerators and stovetop / ovens were delivered and stored onsite for upcoming installation. We continue to work with PG&E on coordinating permanent electricity to the site and are pending a date from PG&E. Tenant occupancy is scheduled for Fall 2024.

**Board of Commissioner Property Tour** – Staff are planning a Board of Commissioners tour of property owned and controlled by the Housing Authority this fall. The tour will include transit to the properties, and Board members will have the opportunity to walk the grounds and enter vacant units at select properties. Additional details on the tour will be included in the August Director's report.

Waiting List Refresh – Housing Authority staff are preparing to refresh our Housing Choice Voucher waiting list. Staff plan to send letters to all waiting list applicants to 1) verify continued interest in rental assistance and 2) update application information. Applicants will have the option to respond and update their information either by submitting a paper form, or by using our Applicant Web Portal. Staff will conduct extensive outreach about the waiting list refresh by posting content on our website and social media, sending letters and emails to Housing Authority applicants, and informing community partners. Based on historical experience, it is likely that many applicants will not respond to the waiting list to verify their continued interest, and will therefore be cancelled from the waiting list either because the mail was returned as undeliverable or because they didn't respond. For this reason, the Housing Authority has adopted a very generous waiting list reinstatement policy, allowing any waiting list applicants to be reinstated to their place on the waiting list within one year of their cancellation. Additionally, waiting list applicants with disabilities, those experiencing homelessness, or with other extenuating circumstances may request reinstatement even after one year following cancellation, and these requests are considered on a case-by-case basis. When the waiting list refresh is complete, staff expect to have a much smaller, but more

accurate waiting list that will allow us to conduct more targeted outreach and to ensure that we can identify waiting list applicants that are eligible for various waiting list preferences and special voucher types or designated PBV units. Staff will keep the Board informed of the outcome of the waiting list once completed.

**FYI Grant Application** – HUD has issued a Notification of Funding Opportunity (NOFO) for Foster Youth to Independence (FYI) vouchers. FYI vouchers are designated to youth at least 18 years and not more than 24 years of age who left foster care, or will leave foster care within 90 days, and are homeless or at risk of becoming homeless. Housing Authority staff are partnering with the County of Santa Cruz Human Services Division (HSD) Housing for Health Division to submit an application for FYI vouchers. Staff will inform the Board if we receive additional vouchers as a result of this funding opportunity.

Project Based Voucher (PBV) Request for Proposals (RFP) Update – Over the past three years, in alignment with the Annual PHA Plan goals, the Housing Authority has substantially expanded the Project Based Voucher (PBV) Program to support the development of affordable housing, to increase the number of units available exclusively to low-income families, and to provide additional housing opportunities for applicants on the Housing Choice Voucher (HCV) Waiting Listing. The Housing Authority currently maintains an open Request for Proposals (RFP) to provide interested parties with the opportunity to request PBVs. The Board of Commissioners establishes the evaluation criteria consistent with agency goals and priorities, and PHA staff score the applications received based on those criteria. In March 2024, the Board authorized a temporary closure of the current RFP starting August 1, 2024 due to programmatic and funding constraints. The Board also established a sub-committee to work with staff on drafting updates on the RFP process and scoring criteria. Staff have compiled information related to program capacity constraints, along with feedback from stakeholders from the development community as well as the jurisdictions, and are working on a set of recommendations to present to the sub-committee. Staff will reach out to sub-committee members soon, and hope to meet with the sub-committee in July.