

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
August 28, 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 Alaniz	4 year term expires, February 10, 2027
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 June 26, 2024

Motion to Approve

B. Proposed Cancellation of the Regular Meeting of September 25, 2024 and the Scheduling of Special Meetings on October 2, 2024 and October 30, 2024

Motion to Approve Cancellation of the Regular Meeting of September 25, 2024 at 11:00 a.m. and the Scheduling of Special Meetings on Wednesday, October 2, 2024 at 11:00 a.m. and Wednesday October 30, 2024 at 11:00 a.m.

C. Housing Authority Bylaws

Motion to Approve Draft Revision to Agency Bylaws

D. Agency Share of Health, Dental, and Vision Insurance Premiums for CY2025

Motion to Approve Staff Recommendation for Changes to the Agency's Health, Dental, and Vision Insurance Contribution Levels Effective 1/1/2025

E. Housing Authority Fiscal Year 2023/2024 Agency Goals – Final Report

Receive Report

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

5. Unfinished Business

6. New Business

A. Election of Officers

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

B. Project-Based Voucher Request for Proposals Process and Scoring Criteria

Discuss and A Motion to Approve Proposed Changes to the Project-Based Voucher Request for Proposals Process and PBV Scoring Criteria Evaluation Factors

C. Caretaker Unit Program

Motion to Delegate Authority to the Executive Director to enter a partnership agreement with the Santa Cruz County Sheriff's Office to establish law enforcement caretaker units at the required Housing Authority owned and controlled properties and to designate one unit at Natural Bridges Apartments for a participant caretaker

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 Evaluation and Contract Renewal

Conduct Executive Director Employee Evaluation, Approve Executive Director Contract and Authorize Board Chair to Execute 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 11:04 a.m. Members present Chairperson Schiffrin, Vice Chairperson Martinez Alaniz, Commissioners Berg, Eligio, and Schmale

Members Absent

Commissioners Melendrez and Morales (excused)

Staff Present

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

AGENDA ITEM NO. 2 Consideration of Late Additions or Changes to the Agenda

Secretary Panetta informed the Board that there are no late additions or changes to the agenda but wanted to inform the Board that there is also a Merrill Road Housing Corporation Meeting, a New Horizons Affordable Housing and Development Inc. meeting and a Housing Authority of the County of Santa Cruz Closed Session Item. Secretary Panetta suggested recessing the Housing Authority meeting prior to closed session, conducting the Merrill Road and New Horizons meeting, and then calling the Housing Authority back to order for the Closed Session Item. The Board of Commissioners agreed.

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.

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

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

Agenda Item 3A. Approved Minutes of the Regular Meeting held May 22, 2024

Agenda Item 3B. Approved to Delegate Authority to the Executive Director to Execute a Contract with Bay Building Janitorial

Agenda Item 3C. Approved Cancellation of the July 24, 2024 Meeting

AGENDA ITEM NO. 4 Oral Communications

None.

AGENDA ITEM NO. 5A Unfinished Business

None.

AGENDA ITEM NO. 6A Mural Artist and Conceptual Design

Deputy Executive Director Graham thanked Mural Artist Taylor Reinhold for joining the Board of Commissioners meeting to make a presentation to the Board.

Deputy Executive Director Graham informed the Board that 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. Deputy Executive Director Graham informed the Board that an evaluation panel consisting of four members of the Housing Authority management team reviewed and scored each of the eight proposals received. Deputy Executive Director Graham informed the Board that the proposal with the highest score was submitted by Taylor Reinhold. Taylor is a local artist based in Santa Cruz County. His portfolio of work includes murals throughout Santa Cruz County and the greater Bay Area.

Deputy Executive Director Graham informed the Board that the maximum compensation of the contract is \$70,526 which includes the painting of a mural on both sides of the perimeter wall. Staff plans on submitting 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.

Deputy Executive Director Graham introduced Mural Artist Taylor Reinhold who provided the Board of Commissioners with a presentation that included examples from his portfolio of work including grass roots project murals and the proposed conceptual mural design for the Natural Bridge Apartment project. The Board of Commissioners thanked Taylor Reinhold for the mural presentation. Members of the Board shared positive feedback about the proposed mural design.

Commissioner Berg moved to approve the 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; Commissioner Martinez Alaniz seconded the motion and it as passed by the following vote:

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

NOES: None

ABSENT: Commissioners Melendrez and Morales
ABSTAIN: None

AGENDA ITEM NO. 6B Housing Authority and New Horizons Affordable Housing and Development Resources and Strategy

Deputy Executive Director Graham informed the Board that this staff report provides 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.

Deputy Executive Director Graham informed the Board of Commissioners of the strategies and goals associated with acquisition and development that staff has identified, along with an overview of the funding resources available for development. Secretary Panetta thanked Finance Director Pomeroy for his leadership in identifying a unique new funding opportunity that resulted in an additional \$10M in funding from HUD.

Deputy Executive Director Graham informed the Board that staff is recommending the agency add development knowledge, experience, and capacity by establishing a Development Director position within the Housing Authority. Director Graham informed the Board that attached to the staff report is an updated Salary Range and Step Chart and a resolution to approve the new salary schedule with the addition of a Development Director.

Additionally, Director Graham informed the Board that staff is recommending the Board 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. A discussion followed. The Board of Commissioners agreed. Chairperson Schiffrin, Vice-Chairperson Martinez Alaniz and Commissioner Berg volunteered to be on the Development Subcommittee. The Board of Commissioners thanked staff for their work on resources and strategies.

Commissioner Berg made a motion Adopt Resolution No. 2024-04 to Approve the New Salary Schedule with addition of Development Director Position, and Establish a Subcommittee to Evaluate Acquisition and Development Opportunities; Commissioner Martinez Alaniz seconded the motion and it as passed by the following vote:

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

ABSTAIN: None

AGENDA ITEM NO. 6C Housing Authority Annual Agency Goals

Secretary Panetta reminded the Board that each year, the Housing Authority Board of Commissioners establishes annual performance goals. Secretary Panetta informed the Board that this year’s goals build on the progress of the previous year’s goals, adding that the final report on FY 24/25 agency goals will be provided to the Board at the August meeting. Secretary Panetta informed the Board of the staff proposed changes to the Housing Authority Agency Goals for the upcoming 2024/2025 fiscal year. A discussion followed.

Commissioner Martinez Alaniz made a motion to Approve Housing Authority Agency Goals for 2024 – 2025 FY; Commissioner Eligio seconded the motion and it as passed by the following vote:

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

AGENDA ITEM NO. 6D Housing Authority Equity Report Card and Action Plan

Secretary Panetta informed the Board that staff is pleased to present the Housing Authority Equity Report Card and Action Plan to the Board of Commissioners. Secretary Panetta reminded the Board that the purpose of this report is to examine diversity and representation on all levels within the agency, to examine disparities in program outcomes and to establish goals to promote diversity, equity, and inclusion in our Agency and programs. Secretary Panetta informed the Board of the summary of progress made towards the goals established in the prior year report and a set of new proposed goals. A discussion followed. Commissioner Schiffrin noted that he found the report informative and helpful, and recommended that it be shared with jurisdictions and partner agencies.

Commissioner Martinez Alaniz made a motion to Adopt Equity Goals; Commissioner Eligio seconded the motion and it as passed by the following vote:

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

AGENDA ITEM NO. 7 Written Correspondence
None.

AGENDA ITEM NO. 8 Report of Executive Director

Deputy Executive Director Graham gave the Board an update on the Natural Bridges Apartments. Tenant occupancy is scheduled for Fall 2024.

Deputy Executive Director Graham informed the Board of Commissioners that staff is planning a tour of property owned and controlled by the Housing Authority this fall. Additional details will be forthcoming.

Executive Director Panetta informed the Board that the Housing Authority staff are preparing to refresh the Housing Choice Voucher waiting list. Staff plan to send letters to all waiting list applicants. Staff will keep the Board informed of the outcome of the waiting list once completed.

Executive Director Panetta informed that Board that HUD has issued a Notification of Funding Opportunity for Foster Youth to Independence vouchers. Housing Authority staff are partnering with the County of Santa Cruz Human Services Division Housing for Health Division to submit an application. Staff will keep the Board informed if the Housing Authority receives additional vouchers as a result of this funding opportunity.

Executive Director Panetta updated the Board of Commissioners on the Project Based Voucher Request for Proposals draft of updates on process and scoring criteria.

AGENDA ITEM NO. 9 Reports from Board Members
None.

Chairperson Schiffrin recessed the Housing Authority Board of Commissioners Meeting at 12:23 p.m. Chairperson Schiffrin called the Housing Authority Board of Commissioners Meeting back in order at 12:41 p.m. The Board of Commissioners entered Closed Session at 12:41 p.m.

AGENDA ITEM NO. 10 Closed Session

A. Executive Director Contract Extension

AGENDA ITEM NO. 11 Report on Closed Session

The Board of Commissioners approved the Short-Term Extension of Executive Director Contract.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 12:50 p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Eighth Day of August, 2024.

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: August 28, 2024

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: Proposed Cancellation of the Regular Meeting of September 25, 2024 and the Scheduling of Special Meetings on October 2, 2024 and October 30, 2024

RECOMMENDATION: Approve Cancellation of the Regular Meeting of September 25, 2024 at 11:00 a.m. and the Scheduling of Special Meetings on Wednesday, October 2, 2024 at 11:00 a.m. and Wednesday October 30, 2024 at 11:00 a.m.

BACKGROUND SUMMARY:

The Executive Director and Deputy Executive Director will be attending a conference of the National Association of Housing and Redevelopment Officials (NAHRO) in Orlando, FL on the date of the Regular September 25, 2024 meeting. Therefore, since October is a month with five Wednesdays, staff propose to postpone the Regular September meeting by one week to October 2nd, and to postpone the regular October meeting by one week to October 30th.

RECOMMENDATION: Approve Cancellation of the Regular Meeting of September 25, 2024 at 11:00 a.m. and the Scheduling of Special Meetings on Wednesday, October 2, 2024 at 11:00 a.m. and Wednesday October 30, 2024 at 11:00 a.m.

AGENDA ITEM SUMMARY

MEETING DATE: August 28, 2024

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: Housing Authority Bylaws

RECOMMENDATION: Approve Draft Revision to Agency Bylaws

BACKGROUND SUMMARY:

As part of the agency's commitment to good governance, it is essential to periodically review and update the Bylaws to ensure they reflect current best practices, legal requirements, and the evolving needs of the agency. As the agency evolves and grows, the latest review by staff and legal counsel has identified areas within the Bylaws related to the requirements for public meetings, commissioner travel, and delegation of authority for signing contracts and agreements that require updates to enhance compliance, efficiency, accountability, and clarity in our processes.

Public Meetings Requirements

The attached proposed revision includes two changes related to public meetings:

- **Notice for Special Meetings:** The Bylaws have been updated to correctly reflect the requirement for forty-eight (48) hours notice for Special Meetings. Although the Brown Act requires only twenty-four (24) hours notice, California Health and Safety Code for public housing authorities requires a more rigorous notification period.
- **Brown Act exceptions for remote meetings:** The paragraph pertaining to attending meetings remotely through teleconferencing notes limitations of and exceptions to the Brown Act.

Commissioner Travel to Seminars, Conferences, Workshops and Similar Events

The section pertaining to Commissioner travel to seminars, conferences, workshops and similar events has been removed. Commissioner travel reimbursement is not required to be included in the Agency Bylaws, and is covered in internal procedures.

Delegation of Authority

The agency's current Bylaws outline the processes and individuals authorized to sign contracts and agreements on behalf of the Housing Authority. The proposed changes to the Bylaws focus on the delegation of authority related to signing contracts and agreements. Specifically, the proposed revision expands authority for the Executive Director to delegate contractual authority to any Director within the agency on a predefined scope limited basis, subject to procurement and other policy restrictions.

A redlined copy of the draft Bylaws is attached for review. Upon approval of these changes to the Housing Authority Bylaws, staff will prepare draft revisions to the Bylaws for New Horizons Affordable Housing & Development and Merrill Road Housing Corporation in future months to bring the Bylaws into alignment for the three entities.

RECOMMENDATION: Approve Draft Revision to Agency Bylaws

BYLAWS OF
THE HOUSING AUTHORITY
OF THE COUNTY OF SANTA CRUZ

ARTICLE I – THE HOUSING AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “Housing Authority of the County of Santa Cruz”.

Section 2. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its organization.

Section 3. Office of Authority. The office of the Authority shall be at 2160 41st Avenue, Capitola, California or such other location duly established in the County of Santa Cruz, California.

ARTICLE II – BOARD OF COMMISSIONERS AND BOARD COMPENSATION

Section 1. Board of Commissioners. Pursuant to the California Health and Safety Code § 34246, the Authority is governed by a Board of Commissioners. The Board of Commissioners shall be composed of seven (7) members.

Section 2. Compensation. The Authority shall compensate Commissioners for attendance at meetings at a per diem rate allowable under California state law. The current compensation rate is per diem payment for attendance at not more than four (4) meetings of the Authority per month, which shall not exceed fifty dollars (\$50) per day. Compensation shall not be more than the amount paid for similar positions in other local government agencies in the area.

ARTICLE III - OFFICERS

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

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

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

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

The Executive Director shall keep the records of the Authority, shall act as recording secretary of the meetings of the Authority Board of Commissioners and record all votes thereof, and shall keep a record of the proceedings of the Authority Board of Commissioners in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to their office. They shall keep in safe custody the seal of the Authority and shall have the power to affix such seal to all instruments authorized to be executed by the Authority.

The Executive Director shall have the care and custody of all funds of the Authority. The Executive Director shall deposit all of the Authority's funds in the name of the Authority in such financial institution(s) as selected in accordance with the procurement policy.

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

Section 6. Election or Appointment. The Chair and Vice Chair shall be elected at the annual meeting of the Authority Board of Commissioners from among the Commissioners of the Authority, and shall hold office for one (1) year or until their successors are elected with a maximum of two (2) consecutive terms for any officer.

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

Section 8. Authority Personnel. The Authority may from time to time employ such personnel as it deems necessary to exercise its powers, duties, and functions as prescribed by the California Housing Authorities Law, as amended, and all other laws of the State of California applicable thereto. The selection and compensation of the Executive Director shall be by the Authority Board of Commissioners subject to the laws of the State of California. The selection of individuals to fill personnel positions other than the position of Executive Director shall be by the Executive Director. The Authority Board of Commissioners delegates the authority and responsibility for establishing job descriptions and the compensation applicable to other personnel positions, subject to the Board of Commissioners adopted budget and the laws of the State of California, to the Executive Director.

Section 9. Officer Rotation Governance. The Board of Commissioners shall vote annually to select the Chair and Vice Chair, according to a predetermined rotation.

At the conclusion of the term for the Chair, the Chair shall step down from the position. The Vice Chair shall assume the role of Chair. Following the promotion of the Vice Chair to the position of Chair, the Board shall select and vote on a new Vice Chair from among the Commissioners, according to the rotation listed below. Commissioners may decline to serve as either Chair or Vice Chair at any time. This includes the option to decline at any point during their tenure, including at the point of nomination. If a Commissioner declines nomination for the Chair or Vice Chair position, the next Commissioner listed in the sequence established below shall be nominated.

Board Officers shall be considered according to the following sequence, which shall repeat in an ongoing rotation:

- Commissioner nominated by the City of Watsonville.
- Commissioner that is a current Authority participant and at least 62-years-old.
- Commissioner nominated by the Community Action Board.
- Commissioner nominated by the County of Santa Cruz (1).
- Commissioner that is a current Authority participant.
- Commissioner nominated by the City of Santa Cruz.
- Commissioner nominated by the County of Santa Cruz (2).

ARTICLE IV – MEETINGS

Section 1. Annual Meeting. The annual meeting of the Authority shall be held on the fourth Wednesday of August at 11:00 a.m. at the regular meeting place of the Authority.

Section 2. Regular Meetings. Regular meetings of the Authority shall be held on the fourth Wednesday of each month at 11:00 a.m. at the regular meeting place of the Authority or at such time and place as may from time to time be determined by resolution of the Authority Board of Commissioners. In the event a day of regular meeting shall be a legal holiday, said meeting shall be held on the next succeeding business day. Regular meeting agendas shall be posted at least seventy-two (72) hours prior to the regular meeting in a location that is freely accessible to members of the public and on the Authority's internet website.

Section 3. Special Meetings. The Chair of the Board of Commissioners may, when they deem it warranted, and shall, upon the written request of a majority of Commissioners, call a special meeting of the Authority for the purpose of transacting any business designated in the notice of the special meeting. The written notice for a special meeting shall be delivered to each Commissioner and to each local newspaper of general circulation and radio or television station requesting notice in writing and posted on the Authority's internet website. The notice shall be delivered personally or by any other means and shall be received at least ~~24~~48 hours before the time of the meeting as specified in the notice. The call and notice for a special meeting shall be posted at least ~~twenty-four (24)~~forty-eight hours prior to the special meeting in a location that is freely accessible to members of the public. At such special meetings no business shall be considered other than as designated in the call.

Section 4. Brown Act. All Board of Commissioner meetings shall be noticed and held in compliance with the Ralph M. Brown Act (Government Code §§ 54950 et seq.)

Section 5. Conduct of Meetings. All meetings of the Authority shall be conducted as determined by the Chair, provided, however, that upon the request of any two (2) Board Commissioners, a meeting shall be conducted in accordance with Robert's Rules of Order. The priority of officers to chair any meeting is:

1. Chair
2. Vice-Chair

Section 6. Authority of Board of Commissioners or Staff Participation in Meetings. The Board of Commissioners may appear at meetings from remote locations through teleconferencing, [subject to compliance with the Brown Act](#). All votes taken during a teleconferenced meeting shall be by roll call. Each teleconference location shall be identified in the notice and agenda of the meeting, and each teleconference location shall be accessible to the public, [except as otherwise provided under the Brown Act](#). An agenda shall be posted at all teleconference locations, [except as otherwise provided under the Brown Act](#). The agenda shall provide an opportunity for the members of the public to address the Board of Commissioners directly at each teleconference location, [except as otherwise provided under the Brown Act](#). During a teleconference, at least a quorum of the Commissioners shall participate from locations within the boundaries of the Housing Authority's jurisdiction, [except as otherwise provided under the Brown Act](#).

Staff may duly appear at meetings from remote locations through any use of direct communication, personal intermediaries, or technological devices.

Section 7. Quorum. Four (4) Commissioners shall constitute a quorum for the purpose of conducting the Authority's business and exercising its powers and for all other purposes, but a smaller number of the Board of Commissioners or the Executive Director may adjourn from time to time until a quorum is obtained.

Section 8. Order of Business. At the regular meetings of the Authority, the following shall be the order of business:

1. Roll Call
2. Consideration of Late Additions and Changes to the Agenda
3. Consent Agenda
4. Oral Communication
5. Unfinished business
6. New Business
7. Written Correspondence
8. Report of Executive Director
9. Report from Board Commissioners
10. Closed session (if needed)

11. Report on closed session (if needed)
12. Adjournment

Routine matters which normally require no discussion may be placed on a Consent Agenda. Any Commissioner or member of the public may require any item(s) to be removed from such Consent Agenda for discussion and action. All items remaining on such Consent Agenda will be voted on and passed by a single motion.

Business normally on the Consent Agenda will include Approval of Minutes. The Executive Director shall designate which items shall be placed on the Consent Agenda, subject to direction from the Chair.

Section 9. Resolutions. Approved resolutions shall be entered in the record of the proceedings of the Authority.

Section 10. Manner of Voting. The voting on all questions coming before the Authority shall require approval by a majority of the quorum voting thereon, and the ayes and the noes shall be entered upon the minutes of each meeting.

Section 11. Vacancy. A vacancy shall exist and shall be reported in writing by the Chair of the Commission to the Board of Supervisors, pursuant to Government Code Section 1770 et seq. A Commissioner vacates their seat whenever a Commissioner fails to attend three consecutive regular meetings without good cause entered in the minutes of the Board of Commissioners.

Any notice of resignation shall be submitted in writing to the Chair of the Commission and forwarded by the Chair of the Commission to the Board of Supervisors. Any vacancy caused by the death, incapacitation, or any other circumstance shall be reported in writing by the Chair of the Commission to the Board of Supervisors.

ARTICLE V. - COMMUNICATIONS

Section 1. Website. The Housing Authority shall maintain a website to provide information to the general public regarding activities, meetings and items of interest related to the Authority.

Section 2. Identification of Persons and/or Positions Authorized to Change Website. The Executive Director, and their designee(s), are authorized to approve the initial composition and subsequent changes of substantive content to the Authority website. Changes of substantive content by other persons or positions shall require prior approval by the Executive Director.

ARTICLE VI – FINANCIAL PROCEDURES

Section 1. Line Item Budget. The Board shall approve an annual line item budget detailing the expenditures intended for the upcoming year. Financial actions consistent

with the budget are authorized to be performed by the Executive Director in conformance with the warrant procedure.

Section 2. Warrant Procedure. The Authority's warrants (checks) may be issued upon the signature of both the Executive Director or Deputy Executive Director and the Finance Director. Checks shall be stored in a locked cabinet at the Authority Offices. One Authority employee removes checks from the locked cabinet while being observed by a second designated employee who signs off on the number of checks allotted for the check run, and if applicable, the check numbers listed on the checks. The Executive Director and the Finance Director shall review and approve the transactions.

The Finance Director shall keep regular books of accounts showing receipts and expenditures and shall render to the Authority annually (or more frequently when requested by the Authority Board of Commissioners), an account of their transactions and also of the financial condition of the Authority. The Executive Director and the Finance Director shall give such bond for the faithful performance of their duties as the Authority may determine.

Section 3. Procurement and Disposition Policy. Bids, contracts, and property dispositions exceeding the HUD Simplified Acquisition Threshold of \$250,000 shall be presented to the Board for approval. Bids, contracts, and property dispositions under \$250,000 shall follow the procurement and disposition policies adopted from time to time by the Board.

~~Section 4. Reimbursement for Seminars, Conferences, Workshops and Similar Events. Reimbursable attendance at a seminar, conference, workshop, or similar event directly related to Housing Authorities, by a Commissioner of the Board, shall first be approved by a majority vote of a quorum of the Board. Post-attendance reimbursement may be available in situations in which Board approval would not be available prior to the date of attendance. Other Authority official or employee reimbursement for such attendance may be authorized by the Executive Director within the travel line item in the budget approved by the Authority Board and in accordance with the policies adopted by the Board.~~

Section ~~4~~5. Ethics Training. Pursuant to California Government Code Section 53235, all Commissioners are required to receive training in general ethics principles and ethics laws relevant to their public service. Commissioners must complete two (2) hours of such ethics training within one (1) year of their first day of service. Thereafter, each Commissioner shall receive at least two (2) hours of ethics training every two (2) years. The Authority will provide information on available ethics training opportunities to the Board at least once annually.

The Authority must keep records documenting the dates that each Commissioner satisfied their ethics training requirements and the entity that provided the training. Records of each ethics training activity must be kept on file for at least five (5) years from the date of the activity.

ARTICLE VII – SIGNATURES ON INSTRUMENTS

~~Section 1. Authority to Sign Certain Documents. The Executive Director is authorized to sign contracts, releases, receipts, and similar documents in the name of the Authority.~~

~~The Finance Director and Deputy Executive Director, if designated in writing by the Executive Director or the Authority Board, is authorized to sign contracts, releases, and similar documents in the name of the Authority.~~

~~Section 1. Authority of the Executive Director. The Executive Director is vested with the authority to enter into contracts, releases, MOUs, releases, receipts, and execute all agreements on behalf of the Authority, subject to the approval and limitations set forth by the Board of Commissioners.~~

~~Section 2. Delegation of Contractual Authority. The Executive Director may delegate the authority to sign contracts and execute agreements to other Directors as deemed necessary. Such delegation must be in writing, specify the scope and any applicable limitations of the authority being delegated as well as duration.~~

~~Section 3. Limitations. The delegation of authority to sign contracts does not extend to transactions that exceed the monetary or other limits established by the Board of Commissioners, nor does it override any specific restrictions imposed by these Bylaws or the Authority's policies and procedures.~~

ARTICLE VIII – RECORDS RETENTION

Section 1. Record Retention Policy. The Authority Board of Commissioners shall adopt a records retention policy that adheres to the laws of the State of California and the U.S. Department of Housing and Urban Development rules regarding the retention of records.

ARTICLE IX – AMENDMENTS

Section 1. Amendments to Bylaws. The Bylaws of the Authority shall be amended only with the approval of at least four (4) of the Commissioners of the Authority at a duly held meeting of the Authority Board.

AGENDA ITEM SUMMARY

MEETING DATE: August 28, 2024

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: Agency Share of Health, Dental, and Vision Insurance Premiums for CY2025

RECOMMENDATION: Approve Staff Recommendation for Changes to the Agency's Health, Dental, and Vision Insurance Contribution Levels Effective 1/1/2025

BACKGROUND SUMMARY:

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

The premiums for the CalPERS health insurance plans in our region are set to increase between 7.21% and 19.85% depending on the plan. Currently, 60% of all participating staff are enrolled in the Kaiser Permanente medical plan which will experience a premium increase of 8.96%. This translates into an increase in the monthly employee share of \$92, \$183, and \$238 for single, two party, and family coverage, respectively. Staff propose to increase the agency's contribution towards health insurance by these same amounts in order to offset the cost of the premium increases. Under this proposal effective 1/1/2025, the agency's monthly health insurance contribution levels would be: \$961 (Single), \$1,920 (Two Party), \$2,494 (Family), and \$846 (Cash in Lieu for employees who are covered by their spouse's insurance). A summary of the current employee share of premiums and the proposed share of premiums for the coming year are shown in the attached table along with a summary of the proposed changes to the agency contribution level.

The Housing Authority's dental and vision insurance plans are contracted privately through a broker. The broker obtains quotes from insurers on an annual basis and assists in the selection of dental and vision plans with the best value. The Housing Authority covers the full dental premium for single party coverage and 80% of the additional premium for Employee & Spouse, Employee & Child(ren), and Family dental plan coverage. For vision insurance, the Housing Authority contributes a fixed amount equal to the entire cost of the single party vision plan coverage. The dental insurance premiums are anticipated to increase 6.5% while vision

insurance premiums will remain unchanged.

The estimated cost to implement these changes is \$101,028 on an annual basis with a \$50,514 impact in the current FY2024-25 budget year.

BACKGROUND SUMMARY:

Approve Staff Recommendation for Changes to the Agency's Health, Dental, and Vision Insurance Contribution Levels Effective 1/1/2025

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Health Plan	2024 Health Plan Monthly Premiums	2025 Health Plan Monthly Premiums	Increase in Monthly Premium 2024 to 2025	2024 Employee Share of Monthly Premium	2025 Employee Share of Monthly Premium	Change in Employee Share of Premium
Single						
PERS Select/Gold (PPO)	914.82	1,013.70	98.88	45.82	52.70	6.88
UnitedHealthcare Harmony (HMO)	937.39	1,005.02	67.63	68.39	44.02	(24.37)
Blue Shield Trio (HMO)	946.84	1,134.79	187.95	77.84	173.79	95.95
Kaiser Permanente (HMO)	1,021.41	1,112.90	91.49	152.41	151.90	(0.51)
Blue Shield Access+ (HMO)	1,076.84	1,170.17	93.33	207.84	209.17	1.33
UnitedHealthcare Alliance (HMO)	1,091.13	1,184.58	93.45	222.13	223.58	1.45
Anthem Select (HMO)	1,138.86	1,256.65	117.79	269.86	295.65	25.79
PERS Choice/Platinum (PPO)	1,314.27	1,476.10	161.83	445.27	515.10	69.83
Anthem Traditional (HMO)	1,339.70	1,500.40	160.70	470.70	539.40	68.70
2 Party					0.00	0.00
PERS Select/Gold (PPO)	1,829.64	2,027.40	197.76	92.64	107.40	14.76
UnitedHealthcare Harmony (HMO)	1,874.78	2,010.04	135.26	137.78	90.04	(47.74)
Blue Shield Trio (HMO)	1,893.68	2,269.58	375.90	156.68	349.58	192.90
Kaiser Permanente (HMO)	2,042.82	2,225.80	182.98	305.82	305.80	(0.02)
Blue Shield Access+ (HMO)	2,153.68	2,340.34	186.66	416.68	420.34	3.66
UnitedHealthcare Alliance (HMO)	2,182.26	2,369.16	186.90	445.26	449.16	3.90
Anthem Select (HMO)	2,277.72	2,513.30	235.58	540.72	593.30	52.58
PERS Choice/Platinum (PPO)	2,628.54	2,952.20	323.66	891.54	1,032.20	140.66
Anthem Traditional (HMO)	2,679.40	3,000.80	321.40	942.40	1,080.80	138.40
Family					0.00	0.00
PERS Select/Gold (PPO)	2,378.53	2,635.62	257.09	122.53	141.62	19.09
UnitedHealthcare Harmony (HMO)	2,437.21	2,613.05	175.84	181.21	119.05	(62.16)
Blue Shield Trio (HMO)	2,461.78	2,950.45	488.67	205.78	456.45	250.67
Kaiser Permanente (HMO)	2,655.67	2,893.54	237.87	399.67	399.54	(0.13)
Blue Shield Access+ (HMO)	2,799.78	3,042.44	242.66	543.78	548.44	4.66
UnitedHealthcare Alliance (HMO)	2,836.94	3,079.91	242.97	580.94	585.91	4.97
Anthem Select (HMO)	2,961.04	3,267.29	306.25	705.04	773.29	68.25
PERS Choice/Platinum (PPO)	3,417.10	3,837.86	420.76	1,161.10	1,343.86	182.76
Anthem Traditional (HMO)	3,483.22	3,901.04	417.82	1,227.22	1,407.04	179.82

HA Monthly Contribution	2024	2025	Increase
Single	Up to \$869	Up to \$961	\$92
2 Party	Up to \$1,737	Up to \$1,920	\$183
Family	Up to \$2,256	Up to \$2,494	\$238
Cash in Lieu	\$754	\$846	\$92

MEETING DATE: August 28, 2024

ITEM NUMBER: 3E

FROM: Executive Director

SUBJECT: Housing Authority Fiscal Year 2023/2024 Agency Goals – Final Report

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Each year, the Housing Authority Board of Commissioners establishes annual performance goals for the Agency. The following goals were established for the period of 7/1/2023 – 6/30/2024. The target date for completion of all goals is 6/30/2024 unless otherwise stated. Baseline values reflect the values on 7/1/23, at the beginning of the fiscal year.

1. Expand Housing Choice Voucher Program:

a. Achieve/Maintain voucher utilization rates of at least 97% for HCV program:

	Baseline	Q1	Q2	Q3	Q4
HCV Utilization Rate	95.2%	95.6%	94.7%	96.1%	97.1%

The Housing Authority met the goal of increasing HCV program utilization to 97%, bringing utilization up from 95.2% to 97.1%. HACSC’s voucher utilization rate of 97.1% is *significantly* higher than the national rate of 86.3% and the statewide rate of 88.0%, with continued growth expected in FY 24/25.

b. Issue or Commit 100% of all new Stability Vouchers (41 vouchers):

HUD has awarded HACSC with 41 Stability Vouchers for individuals and families experiencing homelessness. The program was designed to build on the success of the EHV program, using the same program model with the County Continuum of Care (CoC) providing referrals of eligible households and providing supportive services and rental search assistance to households, and with the Housing Authority issuing the vouchers and providing the rental assistance. The effective date of the program was September 1, 2023. The Housing Authority and CoC executed our MOU in October 2023, and finalized referral forms and materials in December 2023. The Housing Authority began receiving referrals in March 2024. As of June 30, 2024 all Stability Vouchers have been

issued, two (2) Stability Voucher households have successfully leased up, and four (4) additional Stability Voucher households had submitted requests for tenancy and were awaiting inspection of their units.

c. Increase total number of households assisted by at least 150 households:

	Baseline	Q1	Q2	Q3	Q4
HCV Households	5,259	5,288	5,317	5,355	5,413
Cumulative Increase	N/A	+29	+58	+96	+154

The Housing Authority met the goal of increasing the number of households assisted, expanding the program to assist an additional 154 households, with continued growth expected in 24/25.

d. Increase number of landlords participating in the HCV program by at least 40:

	Baseline	Q1	Q2	Q3	Q4
HCV Landlords	1,923	1,926	1,948	1,952	1,949
Cumulative Increase	N/A	+3	+25	+29	+26

The total increase in the number of participating landlords (26) fell short of the established Agency Goal (40). While the number of participating landlords continues to generally trend upwards, the rate of this increase has slowed with the increase in PBV properties ready for occupancy. In many cases, HCV households are leasing units in non-PBV units at PBV properties, which results in increases in numbers of families housed but does not result in a proportional increase in landlords.

2. Expand Affordable Housing Supply:

a. Project Based Vouchers approved for at least 75 additional units, with a priority for, and at least 50% of these units available to, top HCV applicants:

Between July 2023 and June 2024, the Housing Authority awarded two hundred thirty-four (234) project-based vouchers (PBVs). These PBVs were awarded across nine (9) projects. Nine (9) of the PBVs were awarded to a project that had already received an allocation of forty-two (42). This project re-applied for an additional award and was awarded the extra nine (9) vouchers to bring the project up to the Standard Project Cap. One hundred ninety-eight (198) awarded PBVs are designated for top HCV applicants and thirty-six (36) are set aside for the existing farmworkers on the Housing Authority USDA Waiting List. These projects will create a total of four hundred ninety-two (492) new affordable units, and preserve an additional thirty-six (36) units.

Project Based Vouchers Awarded Fiscal Year 7/1/2023 – 6/30/2024

Project Name & Address	Developer / Owner	Jurisdiction	Type of PBV Proposal	PBVs Awarded	Total Units & Affordable Units	% of PBV Units for Top HA WL Applicants
Pacific Station North – 902 Pacific Ave, Santa Cruz	Eden Housing	City of Santa Cruz	New Construction	9 <i>additional</i> vouchers to pre-existing award	128 total 126 affordable	78%
Baler Place – 340 Bridgevale Rd, Hollister	CRP Affordable	County of San Benito	New Construction	25	54 total 53 affordable	100%
Westside Village – 850 Almar Ave, Santa Cruz	CRP Affordable	City of Santa Cruz	New Construction	25	42 total 41 affordable	100%
Capitola Manor – 1098 38th Ave, Capitola	MidPen Housing	City of Capitola	New Construction	25	52 total 51 affordable	100%
Beverly Gardens – 4444 Scotts Valley Drive, Scotts Valley	CRP Affordable	City of Scotts Valley	New Construction	24	25 total 24 affordable	100%
Tierra Alta – 101 – 114 Tierra Alta Drive, Watsonville	New Horizons Affordable Housing and Development	County of Santa Cruz	Existing Housing	36	36 total 36 affordable	100%
Scotts Valley Drive – 4575 Scotts Valley Drive, Scotts Valley	Workbench & CRP Affordable	City of Scotts Valley	New Construction	40	100 total 99 affordable	100%

Project Name & Address	Developer / Owner	Jurisdiction	Type of PBV Proposal	PBVs Awarded	Total Units & Affordable Units	% of PBV Units for Top HA WL Applicants
Pinnacle Pass – 75 Mount Hermon Rd, Scotts Valley	CRP Affordable	City of Scotts Valley	New Construction	25	40 total 39 affordable	100%
Banana Belt – 917, 919, 923 Water Street, Santa Cruz	CRP Affordable	City of Santa Cruz	New Construction	25	60 total 59 affordable	100%

b. Construction of 415 Natural Bridges Drive, with an estimated completion in Fall 2024:

Interior work at the site is in the final stages of completion. On Monday August 12th, Housing Authority staff completed a punch list walk through of the interior building with the general contractor, architects, and engineers. The punch list review is an opportunity to address any design, installation, and material issues that need to be corrected prior to contract completion. A final punch list and walk through will be scheduled to confirm project completion.

On Wednesday August 14th, staff presented the mural design to the Santa Cruz City Arts Commission and were awarded a matching grant of \$15,000 to support the cost of the mural. The artist, Taylor Reinhold, presented the mural design to the commission. The commission requested a minor modification to the mural to translate the text on the mural (“Welcome to our nest” and “We all deserve a nesting place”) so they appear in Spanish as well as English. Taylor is working on this modification to the mural design.

Exterior work continues, which includes landscaping, fencing, curbs, paver installation, and driveway work. In preparing for the driveway an issue was identified with the biopod, a subterranean concrete unit for stormwater filtration. The biopod is a custom designed unit, and was ordered and delivered to the property during the early phases of the project. In December 2023, plans to realign the driveway were implemented due to unexpected issues with the utility pole and coordinating with multiple utility providers on relocating existing infrastructure. The driveway realignment caused the initial biopod to no longer align with the stormwater system. The option to modify the existing biopod by coring a new hole and filling the existing hole were considered, however, in order to ensure the integrity of the unit and to avoid costly unit replacement in the event

of failure, staff have requested the order of new biopod for installation. The biopod is estimated to be delivered in 6 to 8 weeks. The driveway asphalt will be paved shortly after the delivery and installation of the new biopod.

The first exterior punch list is scheduled for Monday, September 16, 2024. PG&E is also scheduled to be onsite the same day to install the meter and transformer. This PG&E work only consists of the panelboard and is not to energize the site. PG&E has not provided a date for permanent power, and Housing Authority staff continue to urge PG&E to schedule the project, and has sought assistance from local officials to advocate PG&E. Upon receiving permanent power the building inspections will commence, which may take 4 to 6 weeks to obtain Temporary Certificate of Occupancy. Based on ongoing delays with PG&E, staff will maintain a two-month rolling forecast for project completion, and staff will provide an updated occupancy date upon PG&E scheduling permanent power installation.

c. Pursue opportunities to engage in real estate activities which include the acquisition, development, disposition, and financing of affordable housing, consistent with strategies approved by the Board of Commissioners:

At the June 2024 Board of Commissioners meeting, the Board adopted 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 Qualifications 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.

Staff are actively recruiting a Development Director, have issued a Request for Qualifications to enter a co-development partnership, and have provided the Development Sub-Committee with one progress report listing several potential acquisition opportunities that are currently being considered. Staff are also developing contingency plans to ensure sufficient spending to optimize funding, accumulate reserves, and avoid recapture of funds.

3. Expand Programs and Services:

a. Implement New Horizons Programs and Services Year Two activities:

Program / Service	Progress Report
Mediation Services	<p>During Q3, New Horizons executed a contract with the Conflict Resolution Center (CRC) of Santa Cruz County. The contract provides Housing Authority participants and landlords with free mediation services to settle disputes and avoid court filings. As of June 30, CRC assisted 10 Housing Authority participants and 8 Housing Authority landlords across 10 cases, with 7 cases being positively resolved through the program and three cases still in process. Cases involved resolving landlord/tenant disputes, back due rent and notices to vacate.</p>
Tenant and Landlord Workshops	<ul style="list-style-type: none"> <p>• <u>Tenants’ Rights Workshop (9/12/23)</u> <u>Topic:</u> The right to a habitable home and unlawful detainer basics <u>Presenters:</u> California Rural Legal Assistance (CLRA) and Housing and Economic Rights Advocates (HERA)</p> <p>• <u>Housing Discrimination Forum (5/8/24)</u> <u>Topic:</u> Recognizing and reporting housing discrimination for tenants <u>Presenters:</u> CLRA, HACSC, The Conflict Resolution Center (CRC) and Senior legal <u>Attendance:</u> 63</p> <p>• <u>Landlord Appreciation Event (5/14/24)</u> <u>Topic:</u> Celebrating and honoring Section 8 landlord participants <u>Presenters:</u> The County of Santa Cruz and HACSC <u>Attendance:</u> 60</p> <p>• <u>Landlord Workshop (6/20/24)</u> <u>Topic:</u> Housing Authority landlord incentive programs, benefits of housing mediation and 2024 legislative updates impacting landlords <u>Presenters:</u> HACSC, CRC and Kimball Tierney & St John <u>Attendance:</u> 51</p>

Program / Service	Progress Report																																								
Internet Service	<p data-bbox="548 239 1471 401">160 Housing Authority owned units now have the option to receive free high speed internet through the Equal Access Program with 129 units being active users. The Housing Authority and Cruzio are continuing to promote the Equal Access Program and to increase adoption rates.</p> <table border="1" data-bbox="553 447 1466 846"> <thead> <tr> <th colspan="4" data-bbox="553 447 1466 485">Connected Properties</th> </tr> <tr> <th data-bbox="553 485 857 527">Property</th> <th data-bbox="857 485 1052 527">Units</th> <th data-bbox="1052 485 1252 527">Subscribed</th> <th data-bbox="1252 485 1466 527">Utilization Rate</th> </tr> </thead> <tbody> <tr> <td data-bbox="553 527 857 569">30th</td> <td data-bbox="857 527 1052 569">19</td> <td data-bbox="1052 527 1252 569">11</td> <td data-bbox="1252 527 1466 569">58%</td> </tr> <tr> <td data-bbox="553 569 857 611">Portola Dr.</td> <td data-bbox="857 569 1052 611">24</td> <td data-bbox="1052 569 1252 611">15</td> <td data-bbox="1252 569 1466 611">63%</td> </tr> <tr> <td data-bbox="553 611 857 653">Crestview</td> <td data-bbox="857 611 1052 653">16</td> <td data-bbox="1052 611 1252 653">10</td> <td data-bbox="1252 611 1466 653">63%</td> </tr> <tr> <td data-bbox="553 653 857 695">Arista Ct.</td> <td data-bbox="857 653 1052 695">16</td> <td data-bbox="1052 653 1252 695">13</td> <td data-bbox="1252 653 1466 695">81%</td> </tr> <tr> <td data-bbox="553 695 857 737">Arista Ln.</td> <td data-bbox="857 695 1052 737">15</td> <td data-bbox="1052 695 1252 737">12</td> <td data-bbox="1252 695 1466 737">80%</td> </tr> <tr> <td data-bbox="553 737 857 779">Casa Pajaro</td> <td data-bbox="857 737 1052 779">34</td> <td data-bbox="1052 737 1252 779">32</td> <td data-bbox="1252 737 1466 779">94%</td> </tr> <tr> <td data-bbox="553 779 857 821">Tierra Alta</td> <td data-bbox="857 779 1052 821">36</td> <td data-bbox="1052 779 1252 821">36</td> <td data-bbox="1252 779 1466 821">100%</td> </tr> <tr> <td data-bbox="553 821 857 846">Total</td> <td data-bbox="857 821 1052 846">160</td> <td data-bbox="1052 821 1252 846">129</td> <td data-bbox="1252 821 1466 846">80.1%</td> </tr> </tbody> </table> <p data-bbox="548 890 1471 1430">The Housing Authority continues to pursue strategies to offer free high-speed internet to all Housing Authority owned and managed properties. During Q4, the Housing Authority partnered with Cruzio to pursue funding through the California Advanced Services Fund (CASF) Public Housing Account. A survey of the remaining properties not yet connected to free high-speed internet identified 8 additional sites (representing 116 additional units) that will be included in the application package during fall of 2024. If awarded, this funding opportunity would expand free internet service by providing funds to install Cruzio’s service on these additional Housing Authority owned sites by July of 2025. This would leave 5 sites (representing 69 units) to be assessed for future funding and programs with the goal of expanding free broadband services to all Housing Authority owned units.</p>	Connected Properties				Property	Units	Subscribed	Utilization Rate	30th	19	11	58%	Portola Dr.	24	15	63%	Crestview	16	10	63%	Arista Ct.	16	13	81%	Arista Ln.	15	12	80%	Casa Pajaro	34	32	94%	Tierra Alta	36	36	100%	Total	160	129	80.1%
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Program / Service	Progress Report
Transportation Services	<p>The Housing Authority is currently partnering with Santa Cruz METRO to offer transit passes to residents of Housing Authority owned and controlled properties. As of the end of Q4, a total of 25 METRO passes have been distributed to residents, representing 1,192 rides with an average of 3.3 rides per day.</p> <p>Due to low program utilization, the Housing Authority engaged METRO to review terms and cost structure of the existing contract and to discuss options for tenants upon contract expiration. The Housing Authority negotiated a more favorable billing structure based on the active number of participants with plans to extend this contract through December 31, 2024. If attempts to increase participation fail to grow the program, or if METRO expands their free ridership program, the Housing Authority may re-evaluate continuation of the service.</p>
Resident Survey	<p>The Housing Authority partnered with Zilo International Group, to complete the stakeholder survey. The final survey report was provided to the Board of Commissioners during Q3. The survey results were analyzed across the three distinct client groups: Group 1) Housing Choice Voucher participants, Group 2) residents of Housing Authority owned or managed properties, and Group 3) property owners and property managers that are currently renting to voucher holders. The survey results were used in the development of the current New Horizons programs and services plan and are being used improve overall agency operations.</p>
Owner Assurance Program / Loss Mitigation Funds	<p>During FY24 there were 17 claims approved and paid to landlords. Disbursement figures for these claims totaled \$34,575.49 with \$15,424.51 in funds remaining.</p>
Security Deposit Gap Assistance	<p>This program continues to be available to new residents of New Horizon properties, if and when jurisdictional security deposit funding has been depleted. Currently, jurisdictional funding is available countywide for security deposit assistance. Therefore, during FY24 there were no funds disbursed for this program.</p>
Publications	<p>Newsletters were provided to Housing Authority residents and Housing Choice Voucher program participants in July 2023, February 2024, and June 2024.</p>

Program / Service	Progress Report
Waiting List Alert System	As of June 2024, there were 3,316 registrants that have signed up for alerts. The Housing Authority has sent multiple notices of housing opportunities, including notification of open waitlists at Tabasa Gardens, Cedar Street Apartments, Paloma Del Mar, Pacifica Apartments, Pacific Station South and Cienega Heights.
Scholarship	The New Horizons Scholarship Program completed its second year with the application period opening on April 1 and closing on May 31, 2024. A total of 119 residents or program participants submitted applications, with 92 eligible scholars receiving a scholarship award, and \$94,000 in scholarship funds awarded. In July of 2024, the program was recognized with an Award of Merit from the National Association of Housing and Redevelopment Officials (NAHRO).

b. Develop and implement MTW Asset Building Program:

The Savings for YOU Program (formerly Opt-Out Savings Program) completed its rollout in Quarter 4. Staff outreach efforts through mailings, emails, and phone calls resulted in 52 program participants. While 23 individuals opted out due to concerns about potential impacts on other benefits and other reasons, the remaining participants received their initial \$120 deposit March 1, 2024 followed by regularly scheduled \$100 monthly deposits. Our key partnership with Ventures was solidified through a two-year agreement executed January 11, 2024. This collaboration provides participants with financial education through four in-person and four virtual workshops focused on culturally appropriate asset-building strategies for families. Most recently, all workshops have been scheduled between June 2024 and May 2025. Additionally, Ventures offers one-on-one coaching with Ventures staff experienced in financial capabilities and overcoming economic barriers. The Housing Authority has mailed out letters to participants with workshop and coaching sign-up information. To foster a sense of community, a bi-lingual Savings for YOU Program event was held March 27 at the Capitola Library and approximately 30% of participants attended. Attendees had the opportunity to meet Ventures staff, ask questions, and get a preview of the upcoming workshops and coaching sessions.

HUD contracted with Abt Associates Inc. (“Abt”) to conduct a research study to evaluate the effectiveness of the Moving to Work (MTW) Expansion Asset Building Cohort: Opt-Out Savings Program. With enrollment complete, initial funding deposited, and the partnership with Ventures underway, the Savings for YOU Program is poised to make a positive impact on participants' asset-building and financial well-being.

4. Improve Agency and Program Management:

- a. Implement the MTW alternative re-examination waiver and maintain timely re-examination rate of at least 98%.**

The MTW re-examination waiver has been implemented and is currently in place. Staff have exceeded the goal, achieving a timely re-examination rate of over 99%.

	Baseline	Q1	Q2	Q3	Q4
Percentage of Timely Reexaminations	97%	97%	98%	99%	99%

- b. Implement (soft) launch of web-based waiting list portal:**

The waiting list portal is available for all applicants to apply to open waitlists or update their information. On Friday, July 19th, the Admin Services staff mailed over 11,000 letters to all applicants on the Santa Cruz and San Benito/Hollister waitlists, requesting that they log on to the portal to save their spot. The letters included QR codes and an option to complete and submit updates via a waitlist status form. Laptop kiosks are available in the lobby for applicants without computer access, in addition to paper forms. The deadline to respond is August 20th. Non-respondents will be removed from the waitlist but can request reinstatement within a year.

RECOMMENDATION: Receive report

AGENDA ITEM SUMMARY

MEETING DATE: August 28, 2024

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Election of Officers

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

BACKGROUND SUMMARY:

Each August, the Board of Commissioners elects or re-elects a Chairperson and Vice-Chairperson for the next twelve months. In December 2023, the Board of Commissioners updated the Agency Bylaws to implement a Rotation of Officers.

The Bylaws state the following:

Section 6. Election or Appointment. The Chair and Vice Chair shall be elected at the annual meeting of the Authority Board of Commissioners from among the Commissioners of the Authority, and shall hold office for one (1) year or until their successors are elected with a maximum of two (2) consecutive terms for any officer.

Section 9. Officer Rotation Governance. The Board of Commissioners shall vote annually to select the Chair and Vice Chair, according to a predetermined rotation.

At the conclusion of the term for the Chair, the Chair shall step down from the position. The Vice Chair shall assume the role of Chair. Following the promotion of the Vice Chair to the position of Chair, the Board shall select and vote on a new Vice Chair from among the Commissioners, according to the rotation listed below. Commissioners may decline to serve as either Chair or Vice Chair at any time. This includes the option to decline at any point during their tenure, including at the point of nomination. If a Commissioner declines nomination for the Chair or Vice Chair position, the next Commissioner listed in the sequence established below shall be nominated.

Board Officers shall be considered according to the following sequence, which shall repeat in an ongoing rotation:

- *Commissioner nominated by the City of Watsonville.*
- *Commissioner that is a current Authority participant and at least 62-years-old.*
- *Commissioner nominated by the Community Action Board.*

- *Commissioner nominated by the County of Santa Cruz (1).*
- *Commissioner that is a current Authority participant.*
- *Commissioner nominated by the City of Santa Cruz.*
- *Commissioner nominated by the County of Santa Cruz (2).*

Based on the updated Rotation of Officers, the current Vice-Chair Providence Martinez Alaniz is slated to assume the role of Chair. The next Commissioner in line for the Vice-Chair position would be Richard Schmale.

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

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA ITEM SUMMARY

MEETING DATE: August 28, 2024

ITEM NUMBER: 6B

FROM: Executive Director

SUBJECT: Project-Based Voucher Request for Proposals Process and Scoring Criteria

RECOMMENDATION: Discuss and Approve Proposed Changes to the Project-Based Voucher Request for Proposals Process and PBV Scoring Criteria Evaluation Factors

BACKGROUND SUMMARY:

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, and to provide additional housing opportunities for applicants and participants of the Housing Choice Voucher (HCV) program. During this period of time, the Housing Authority has maintained an open Request for Proposals (RFP) to provide interested parties with the opportunity to request PBVs to stimulate new affordable housing construction and/or support preservation of existing affordable housing units. The Board of Commissioners establishes the scoring criteria consistent with agency goals and priorities, and PHA staff score the applications received based on the evaluation factors in the scoring criteria. The PBV scoring criteria and RFP most recently in effect was approved by the Board in April 2023, and the RFP was issued in September 2023 following HUD's approval of MTW related waivers. In March 2024, the Board authorized a temporary closure of the RFP starting August 1, 2024, due to programmatic and funding constraints. Additionally, the Board established a sub-committee to work with staff to discuss changes to the PBV RFP Process and Scoring Criteria prior to those changes coming to the Board of Commissioners.

On July 17, 2024 staff met with the Board sub-committee to review a proposed revision to the PBV RFP process and criteria. The draft RFP process and criteria reflects the feedback of the subcommittee. This report includes a framework of proposed revisions to the RFP Process, Project Cap, and the evaluation factors that comprise the PBV RFP Scoring Criteria, with the goal of developing an updated RFP and process that is intended to allow for continued and sustained growth of the PBV program for years to come. The sub-committee reached consensus on most aspects of the proposed draft as presented below. However, there were several items of discussion on which the sub-committee did not achieve consensus and opted to bring these items to the full Board. These items are identified below.

Proposed PBV RFP Process Recommendations

Given that the demand for PBVs is greater than the number of vouchers available on an annual basis, staff recommend moving away from a "rolling" continuously open RFP and instead issuing RFPs on

a cyclical basis, issuing a finite number and type of vouchers available for each cycle, scoring all applications in a given RFP cycle together, and awarding limited vouchers on a competitive basis.

Based on historical program attrition data, a desire to achieve a balance between tenant-based HCVs and PBVs, and a desire to ensure we have vouchers available to support affordable developments for years to come, staff recommend making a range of 80 to 100 PBVs available twice per calendar year, once in Fall/Winter and once in Spring/Summer, for a total of 160 to 200 PBVs made available per year. This allocation will allow the agency to provide ongoing opportunities for developers to access PBVs while also ensuring that at least an equal number of portable, tenant-based vouchers can continue to be issued to families on the HCV Waiting List. Awards on the higher end of the recommended range could potentially impact either HCV issuance and/or the total amount of PBVs the Housing Authority has available to award non-competitively to PHA-owned developments. Awards on the lower end of the recommended range risk missing the opportunity to support developments that are viable now but may not be in the future if market conditions change. Additionally, awarding vouchers at the lower end of this range (160 per year) would allow us to continue awarding vouchers for 8.5 years before reaching our PBV cap. However, we would reach our PBV cap in 6.5 years by awarding vouchers at the higher end of this range (200 per year). Staff propose that the vouchers to be available in each RFP cycle would be a mix of Standard and Special-Purpose vouchers, based on staff analysis of current voucher utilization, anticipated lease-up and attrition rates.

Scoring and Award Process

Under the previous rolling RFP, applicants would submit proposals, and they were evaluated under the PBV RFP Scoring Criteria to determine if they meet threshold, but they did not compete against other proposals. If the proposal met the threshold score, it was eligible for an award. Historically, staff have conditionally awarded PBVs up to the Standard Project Cap for every project that has met the PBV RFP threshold.

Staff recommend revising this process and establishing a truly competitive RFP that opens and closes at specified times, with timelines to be built around tax credit application cycles, so that developers may receive their awards in time to include in tax credit applications. Upon closure, all applications will be scored and will be ranked from highest to lowest score. Any proposal that does not meet the minimum threshold score will not be considered for an award. For projects that pass threshold, proformas and related financial information for each proposal will be sent to an affordable housing financial consultant that will advise staff on an appropriate minimum and maximum number of vouchers to award the project, to help ensure that projects are both financially viable and competitive for other sources of funding while not receiving more PBVs than necessary for the viability of the project. The application will state that the Housing Authority will work with a financial consultant to evaluate the financials of the project and that the Housing Authority may make awards below the 40% cap and below the total requested number of vouchers. Applicants will have been asked on their application to state the *minimum* number of PBVs they would accept, as well as the number of PBVs they are requesting, up to the project cap. Additionally, applicants will be asked to provide a narrative explanation of why they are requesting a certain number of vouchers, and how the project would be impacted if they receive their minimum award rather than their requested number of vouchers.

Considering input from the financial consultant, an appropriate number of PBVs will be determined for each eligible project. Projects will be ranked by score, and awards of the recommended number of vouchers will be established until staff reach the limits of the number of vouchers available for the cycle. The project at this cut-off point may be offered fewer vouchers than indicated as their minimum request. However, staff propose to retain the discretion to exceed the number of vouchers proposed for the cycle if required to provide the number of vouchers needed to make the cut-off project viable. Additionally, staff propose to retain the right to amend the RFP at any time if required for compliance with HUD program rules.

The Housing Authority is authorized to award vouchers to Housing Authority owned and controlled projects non-competitively. These awards would not come out of the pool of PBVs to be made available through the RFP process.

At the end of each cycle, staff will provide the Board of Commissioners with a report showing the results of the RFP, including a listing of the applications received and the vouchers awarded.

Project Cap

The Project Cap is the maximum number of PBVs that a project is eligible to receive. The currently established Standard Project Cap is the *greater* of 25 PBVs or 40% of units at the project. Proposals may exceed the Standard Project Cap if they receive 75% of points in both the Financial Feasibility and Construction Readiness sections of the Scoring Criteria.

Staff propose to revise the agency's Project Cap to a maximum of 40% of units at the project and propose to remove the opportunity to exceed the Project Cap. This percentage-based cap ensures that projects of all sizes may request a *proportionate* amount of PBVs for their project size. As a result, this will lead to a more efficient use of PBVs and help to ensure that more PBVs are available to as many projects as possible. For example, a 50-unit project would be eligible for up to 25 PBVs under the current Project Cap, but would be eligible for up to 20 PBVs under the revised Project Cap. Staff propose maintaining discretion to award to any applicant fewer vouchers than the established Standard Project Cap based on recommendations from the financial consultant.

- **The Board Sub-Committee requests feedback from the Board on the proposed change to the Project Cap, with some committee members preferring to keep the criteria as the *greater of 25 units or 40%*.**

Staff Recommended Changes to the PBV RFP Scoring Criteria *Evaluation Factors*

Attached in a separate document is a table comparing current scoring criteria with proposed scoring criteria. The changes are summarized below.

1. **Project Type:** To allow allocation of points to new evaluation factors while remaining within 200 total base points, staff recommend slightly reducing the available points by five (5) for new construction projects, and by ten (10) for projects at risk of losing affordability or rehabilitation.

2. **Extent to Which Project Creates Housing Opportunities for Top Applicants on HCV Waiting List:** Staff propose no changes to this criterion, which prioritizes applications that designate units for applicants on the Housing Authority waiting list.
 - **The Board Sub-Committee requests feedback from the Board on the point value, with some committee members preferring to reduce the number of points available for this criterion.**
3. **Deconcentration of Poverty/ Creation of Economic Opportunities:** To prioritize new housing in high opportunity areas, staff propose revising the evaluation factors related to Deconcentration of Poverty. Staff propose incentivizing new construction in *both* high opportunity areas as well as low poverty areas. Staff also recommend reducing the maximum point value of this evaluation factor from twenty-five (25) to ten (10), since nearly all projects will be eligible for full points, and the indicator may not provide a meaningful distinction between projects. Projects will be awarded ten (10) points by demonstrating they are *either* in a census tract with a poverty rate of less than 20% or in a high-resource opportunity zone as published by CTCAC/HCD.
4. **NEW - The Extent to Which the Project Creates Additional Non-PBV Affordable Units:**
 - a. **NEW – Total Number of Affordable Units** - To prioritize projects leveraging PBVs for the creation of additional non-PBV affordable housing units, staff recommend this *new* evaluation factor with a range of zero (0) points for projects creating zero (0) additional non-PBV affordable units, to a maximum of twenty (20) points to projects proposing to create more than one hundred (100) additional non-PBV affordable units. This evaluation factor relates to evaluation factor 4.b. “*Percentage of Units that are Project-Based*” but awards points based on total additional affordable units produced.
 - b. **NEW - Percentage of Affordable Units that are Project-Based:** Staff propose this *new* evaluation factor, which would be awarded a maximum of **thirty (30)** points. Projects that propose to develop a greater percentage of non-PBV affordable units and utilize a lower percentage of PBVs will score higher. This evaluation factor will prioritize projects that require a smaller percentage of PBVs needed to support them, with zero (0) points for projects wherein PBVs represent 40% of total affordable units at the project, and thirty (30) points for projects wherein PBVs represent 10% or less of total affordable units at the project.
5. **Location Amenities:** Staff recommend reducing the maximum points per location amenity from 2.5 points to one (1) point for some categories and two (2) for others and adding a *new* category for laundry facilities: one-half (0.5) point for on-site facilities, and one (1) point for in-unit laundry hookups.
6. **Management and Owner Experience:** Staff note that nearly every application scored full points for the Management and Owner Experience evaluation factor, and it has not meaningfully affected project evaluation. Staff recognize that these are important factors to

consider when evaluating proposals but recommend reducing the point value of this factor and reallocating points to other higher priority factors. Staff recommend reducing the maximum possible points from twenty (20) to six (6).

7. **Design Features:** Staff note that nearly every application scored full points in the Design Features category, and it did not meaningfully impact project evaluation. Staff recommend revising the RFP to reflect that the current RFP design features are requirements and awarding *bonus points* based on the project including a renewable energy system.
8. **Construction Readiness:** Key staff recommendations include:
 - a. **Entitlements and Site Control:** Staff propose scoring site control and entitlements separately, as projects may be able to demonstrate entitlements independent of site control. Staff propose to reduce the maximum point value for this evaluation factor from sixteen (16) to fifteen (15), with a maximum of ten (10) points for entitlement and a maximum of five (5) points for site control. Staff also propose to revise the evaluation factor related to entitlement to “*Full entitlement and jurisdictional approval or equivalent.*”
 - b. **Timeline to AHAP:** Staff recommend eliminating this evaluation factor due to the risk of awarding points for an *anticipated* timeline. If the developer is unable to meet the timeline committed to, there is no mechanism to retroactively reduce the points awarded. Staff will continue to communicate this timeline to applicants as an expectation. Additionally, the application will ask for a detailed schedule and timeline with milestones.
9. **Financial Feasibility:** Key staff recommendations include the following. Financial Feasibility criteria and scoring will be reviewed with the financial consultant prior to finalization. Staff may make minor adjustments to the following criteria based on feedback from consultants. However, any material changes to the criteria below will be provided to the Board for review and approval.
 - a. **Assumptions of Development and Operating Costs – No Changes**
 - b. **Leveraging of Local Funding and Competitiveness for State Funding:** Staff recommend eliminating this as its own separate evaluation factor as most applicants scored zero (0) points for this evaluation factor, and applicants consistently indicate that local jurisdictions do not have local funding to provide or are otherwise not making it available. Instead, staff have proposed a new factor (item D below) to consider other sources of funding which would include local funding as well as other sources.
 - c. **Leveraging of Project Based Vouchers:** Revise the ranges to reflect maximum points for projects with less than 20% of total government funding derived from PBV income and increase the maximum point value for this evaluation factor from fifteen (15) to

twenty (20). Projects will score higher if they have a lower percentage of PBV revenue relative to other government funding.

- d. **NEW – Other Sources of Funding (Government Funding or Equity):** To prioritize projects with other sources of government funding or equity relative to the total development cost, including loans/grants for development, staff propose this *new* evaluation factor. Proposed points would range from zero (0) for projects with other sources representing 40% or less of total development costs, to a maximum of five (5) points for projects with other sources representing 81% or more of total development costs.

10. Bonus Points: Key recommendations include:

- a. **Underutilization Bonus:** Staff propose eliminating this evaluation factor, noting that the revised RFP will be prescriptive regarding specific voucher types that will be available and offered for conditional award.
- b. **Unique and Time-Limited Funds:** Staff propose eliminating this this evaluation factor, noting that it has been challenging to clearly define “unique and time-limited” funds.
- c. **Value-Added of PBVs:** Staff propose eliminating this this evaluation factor and replacing it with the two new proposed bonus factors below.
- d. **NEW – Supportive Services Operational Funding:** Staff recommend awarding up to five (5) bonus points to projects that include operational funding from a local jurisdiction or agency, for the provision of supportive services or other resident benefits.
- e. **NEW – Renewable Energy System:** Staff recommend awarding five (5) bonus points for projects that include solar or another type of renewable energy system.
- f. **Suggestion from Sub-Committee:** The sub-committee recommended bonus points for community engagement, as demonstrated by submission of a community outreach plan that includes one or more public meetings and/or other methods for receiving community feedback on proposed project.

Attachments

Exhibit A: Outlines all staff proposed revisions to the Evaluation Factors, as compared to existing Evaluation Factors from previous RFP.

RECOMMENDATION: Discuss and Approve Proposed Changes to the Project-Based Voucher Request for Proposals Process and PBV Scoring Criteria Evaluation Factors

EXHIBIT A – STAFF PROPOSED REVISIONS TO PBV EVALUATION FACTORS

<u>Evaluation Factor</u>	<u>Current Points Available</u>	<u>Recommended Revisions to Evaluation Factor</u>	<u>Recommended Revisions to Points Available</u>	<u>New Points Available</u>	<u>Comments</u>
1. Project Type					
New affordable housing	50	No changes	Reduce by 5	45	Point values reduced to allow allocation of points to new evaluation factors while remaining within 200 total base points.
Retains current affordable housing at imminent risk of losing affordability requirements: Applicants must document how the property is at imminent risk of losing affordability requirements and how PBVs are crucial in retaining the affordability of units	35	No changes	Reduce by 10	25	
Substantial improvements to existing housing: Applicants must document what substantial improvements are needed and how PBVs are critical in funding or financing such improvements.	25	No changes	Reduce by 10	15	
2. Extent to Which the Project Creates Housing Opportunities for Top Applicants on the Housing Authority’s Existing Housing Choice Voucher (HCV) Waiting List					
100% of PBV units are for top applicants on the HCV Waiting List or referral-based special purpose vouchers	30	No changes	No changes		No changes
Projects with less than 100% PBV units for top HCV Waiting List applicants or referral-based special purpose vouchers receive a percentage of maximum points equivalent to the percentage of those PBV units, i.e. 80% for top applicants = 80% of maximum points = 24 points	0 - 29	No changes	No changes		

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3. Deconcentration of Poverty / Creation of Economic Opportunities					
Located in a Census Tract with a poverty rate of 20% or less	25	Project is located in either a Census Tract with a poverty rate of 20% or less, or located in a highest- or high-resource area as defined in the CTCAC/HCD Opportunity Map	10	10	
Located in a Census Tract where the poverty rate is 20% or greater, include a narrative addressing the following regarding the location: 1) Whether it had state, local or federal dollars invested that has assisted in the achievement of deconcentrating poverty and expanding opportunity; 2) Whether new market rate units are being developed and the likelihood that such market rate units will positively impact the poverty rate; 3) If the poverty rate is greater than 20%, whether there has been an overall decline in the poverty rate in the past five years; 4) Whether there is meaningful opportunity for education and economic advancement. Include the percentages of poverty in the census tract, city, and county.	0 - 15	Project is not located in a Census Tract with poverty rate of 20% or less and is not located in a highest- or high-resource area as defined in the CTCAC/HCD Opportunity Map but provides a narrative that addresses key points about the revitalization efforts.	0 – 9	9	Point values reduced, and allowing points for either high opportunity or low poverty.

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Evaluation Factor	Current Points Available	Recommended Revisions to Evaluation Factor	Recommended Revisions to Points Available	New Points Available	Comments
4. Extent to Which the Project Creates Additional Non-PBV Affordable Units					
		Total Non-PBV Affordable Units			
		More than 100	20	20	Staff recommend adding this new evaluation factor to prioritize projects which create a larger number of non-PBV affordable units
		90 - 99	18		
		80 – 89	16		
		70 – 79	14		
		60 – 69	12		
		50 – 59	10		
		40 – 49	8		
		30 – 39	6		
		20 – 29	4		
		10 – 19	2		
		1 to 9	1		
		Zero	0		
		% of Affordable Units that are PBVs	30	30	Staff recommend this new evaluation factor to prioritize projects which utilize a lower percentage of PBVs at the project.
		PBVs rep. 10% or less of the aff. units	30		
		PBVs rep. 11-20% of the aff. units	20		
		PBVs represent 21 - 30% of aff. units	10		
		PBVs represent 31 - 39% of aff. units	5		
		PBVs represent 40% or more of aff. units	0		

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Evaluation Factor	Current Points Available	Recommended Revisions to Evaluation Factor	Recommended Revisions to Points Available	New Points Available	Comments
5. Location Amenities					
Project is in a location with a Walk Score of 85% or higher	2.5	Add "...or Bike Score..."	Reduce by 1.5	1	Staff recommend adding a new evaluation factor for laundry.
Project with 2+ bedroom units for families is located within 1/2 mile of a public elementary, middle, or high school	2.5	Change to 1+ bedroom units	Reduce by 0.5	2	
Project with 2+ bedroom units for families includes a playground, toddler play area, childcare facility, or similar child-focused space(s).	2.5	No changes	Reduce by 1.5	1	Staff recommend reducing the points available for this evaluation factor, both to allow allocation of points to new evaluation factors while remaining within 200 total points, and to reduce the weight of location amenities in the overall scoring.
		Project provides in-unit laundry. On-site laundry will be awarded a half point.	Add 1	1	
Project includes space/programs to enhance health and wellness of residents such as Fitness/Sports/Recreation facilities or there is a partnership with local fitness center(s) where residents get discounted monthly gym fees, yoga/classes, etc.	2.5	No changes	Reduce by 1.5	1	
Project integrates space and programming to enhance living skills or job readiness skills of residents of the project or community residents (e.g. a computer room, resident-run café or other social entrepreneur business).	2.5	No changes	Reduce by 1.5	1	Staff recommend that Location Amenities related to proximity to schools, groceries, and transit be given greater weight, and awarded 2 points while all others are awarded 1.
Provides Public-Use Amenity: Project provides the neighborhood with public-use amenity (e.g. a public easement onto	2.5	No changes	Reduce by 1.5	1	

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open space or community garden, a pocket park, public plaza, etc.).					
Transit: The proposed project is located within a public transit corridor, or the project is using a van or dial-a-ride service. If located within a public transit corridor, the project site must be within ¼ mile of a bus stop with at least hourly service as demonstrated by a Metro bus schedule for the route.	2.5	Change to ½ mile	Reduce by 0.5	2	
Groceries: The proposed project is located within ½ mile of groceries and other essential shopping needs. Grocery is defined as a full-service store or market that provides fresh food staples: fresh meats, poultry, dairy products, and produce. [Convenience stores and mini marts are not considered full-service stores or markets.]	2.5	No changes	Reduce by 0.5	2	
Health and Social Services/ Schools: The project is located within one mile of a health or social service facility that is operated to serve the target population(s); or, the proposed project is a family project and is located within one mile of the services above, or within ½ mile of a public elementary, middle school, or high school.	2.5	Eliminate second half of criterion related to schools – this is already scored above	Reduce by 1.5	1	
Recreation: The proposed project is located within ¼ mile of a park, library, recreational facility, or a community center accessible to the general public and appropriate for the targeted population(s).	2.5	Change to ½ mile	Reduce by 1.5	1	

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6. Management and Owner Experience					
Property Development Experience					Staff note that this evaluation factor has not meaningfully differentiated project scoring for past applicants but do recognize the value of considering it. Staff recommend reducing the point totals to reduce the weight in the overall scoring and to allow allocation of points to new evaluation factors while remaining within 200 total points.
Broad experience (5+ developments)	8	No changes	Reduce by 6	2	
Some experience (3-4 developments)	5	No changes	Reduce by 4	1	
Minimal experience (1-2 developments)	3	No changes	Reduce by 2.5	0.5	
No prior experience	0	No changes	No changes	0	
Property Management Experience					
Broad experience (201+ affordable rental units)	6	No changes	Reduce by 4	2	
Good experience (101-200 affordable rental units)	4	No changes	Reduce by 3	1	
Fair experience (51-100 affordable rental units)	2	No changes	Reduce by 1.5	0.5	
Minimal experience (Under 50 affordable rental units)	0	No changes	No changes	0	
Project-Based Voucher Experience					
Broad experience (201+ PBV rental units)	6	No changes	Reduce by 4	2	
Good experience (151-200 PBV rental units)	4	No changes	Reduce by 3	1	
Fair experience (50 to 150 PBV rental units)	2	No changes	Reduce by 1.5	0.5	
Minimal experience (Under 50 PBV rental units)	0	No changes	No changes	0	

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7. Design Features					
The applicant certifies that the project will be developed in accordance with the minimum requirements of any one of the following programs: Leadership in Energy & Environmental Design (LEED); Green Communities; Passive House Institute US (PHIUS); Passive House; Living Building Challenge; National Green Building Standard ICC / ASRAE – 700 silver or higher rating; or the GreenPoint Rated Program.	10	Eliminate	Eliminate (-10)	0	Staff recommend eliminating this evaluation factor as nearly all past applicants received full points, and it has not meaningfully impacted scoring.

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8. Construction Readiness					
Entitlements and Site Control					Staff recommend separately scoring the Site Control and Entitlements sections of this evaluation factor, as projects may be able to demonstrate entitlement independent of site control.
Full entitlement and jurisdictional approval for project	16	Eliminate and move to new “Entitlements” section.	Eliminate (-16)	0	
		Site Control			
Documented site control demonstrated by a deed or lease	14	No changes	Reduce by 9	5	
Anticipated site control demonstrated by a sale agreement	10	No changes	Reduce by 7	3	
No documentation demonstrating present or future site control	0	No changes	No changes		
		Entitlements			
		Full entitlement and jurisdictional approval or equivalent	10	10	
Timeline to AHAP					Staff recommend eliminating this evaluation factor due to the risk of awarding points for something that is only anticipated, as points cannot be reduced/removed later on if the target is not met.
Within 12 months of conditional award	4	Eliminate	Eliminate (-4)	0	
Within 18 months of conditional award	2	Eliminate	Eliminate (-2)	0	
Within 24 months of conditional award	0	Eliminate	Eliminate	0	

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9. Financial Feasibility					
Assumptions of Development and Operating Costs					
Overall trending debt-coverage ratio, cash flow, yearly rent increases, yearly increases in operating expenses, and PBV unit vacancy rates anticipate HUD/CTCAC subsidy layering review guidelines without requiring further justification	5	No changes	No changes	5	
Leveraging of Local Funding and Competitiveness for State Funding					Staff recommend eliminating this evaluation factor. Past applicants have indicated these points are difficult to receive as local jurisdictions recently do not have funding to award or are not making funding available. Most past applicants received no points for this evaluation factor.
Local sources account for 30 percent or more of the total development cost	10	Eliminate	Eliminate (-10)	0	
Local sources account for 25 to 29 percent of the total development cost	8	Eliminate	Eliminate (-8)	0	
Local sources account for 20 to 24 percent of the total development cost	6	Eliminate	Eliminate (-6)	0	
Local sources account for 15 to 19 percent of the total development cost	4	Eliminate	Eliminate (-4)	0	
Local sources account for 10 to 14 percent of the total development cost	2	Eliminate	Eliminate (-2)	0	
Local sources account for less than 10 percent of the total development cost	0	Eliminate	Eliminate	0	

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Leveraging of Project-Based Vouchers					Staff recommend increasing the weight of this evaluation factor to prioritize projects utilizing a lower percentage of PBV income.
Total PBV income over the initial term is 15 percent or less of total government funding, including LIHTC equity	15	Change Range to Less than 20% of total	Increase by 5	20	
Total PBV income over the initial term is 16 to 20 percent of total government funding, including LIHTC equity	12	Change Range to 21-25%	Increase by 4	16	
Total PBV income over the initial term is 21 to 25 percent of total government funding, including LIHTC equity	8	Change Range to 26-30%	Increase by 4	12	
Total PBV income over the initial term is 26 to 30 percent of total government funding, including LIHTC equity	5	Change Range to 31-40%	Increase by 3	8	
Total PBV income over the initial term is 31 to 35 percent of total government funding, including LIHTC equity	2	Change Range to 41-50%	Increase by 2	4	
Total PBV income over the initial term is more than 35 percent of total government funding, including LIHTC equity	0	Change Range to greater than 50%	No changes	0	

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		<u>Other Sources of Funding (Govt. Funding or Equity)</u>			Staff recommend this new evaluation factor to prioritize projects which utilize a higher percentage of alternative government funding relative to the total development cost.
		<u>81% or more of the total development cost</u>	<u>5</u>	<u>5</u>	
		<u>71 - 80% of total development cost</u>	<u>4</u>		
		<u>61 - 70% of total development cost</u>	<u>3</u>		
		<u>51 - 60% of total development cost</u>	<u>2</u>		
		<u>41 - 50% of total development cost</u>	<u>1</u>		
		<u>40% or less of total development cost</u>	<u>0</u>		

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10. Bonus Points					
Underutilization Bonus – the Housing Authority reserves the right to award additional Bonus Points, at their sole discretion, for projects which will utilize otherwise underutilized or unawarded vouchers at risk of loss to HUD.	5	Eliminate	Eliminate (-5)	0	Staff propose eliminating this evaluation factor, noting that the revised RFP will be prescriptive regarding specific voucher types that will be available and offered for conditional award.
Unique and Time-Limited Funds - project leverages funding from a unique, time-limited federal, state, or local housing initiative (ex. Homekey, No Place Like Home, etc.).	10	Eliminate	Eliminate (-10)	0	Staff recommend eliminating this evaluation factor as it has proven difficult to clearly define “unique and time-limited” funds.
Value-Added of PBVs - the proposed project demonstrates that it will provide significant supportive services to residents eligible for such services, and/or provide housing to large families, and/or provide housing to other hard-to-house populations.	5	Eliminate	Eliminate (-5)	0	Staff recommend eliminating this evaluation factor as it incentivizes large units, and initial lease-ups at recently completed PBV projects have demonstrated that owners have been challenged to qualify eligible households for 3+ BR units.
		Project includes operational funding from a local jurisdiction or entity, for the provision of supportive services or other resident benefits.	5	5	Staff recommend adding this new evaluation factor to incentivize projects which bring local operational funding for supportive services.
		Project design includes a solar or other renewable energy system.	5	5	Staff recommend adding this new evaluation factor to incentivize projects with a renewable energy system.

AGENDA ITEM SUMMARY

MEETING DATE: August 28, 2024

ITEM NUMBER: 6C

FROM: Executive Director

SUBJECT: Caretaker Unit Program

RECOMMENDATION: Delegate Authority to the Executive Director to enter a partnership agreement with the Santa Cruz County Sheriff's Office to establish law enforcement caretaker units at the required Housing Authority owned and controlled properties and to designate one unit at Natural Bridges Apartments for a participant caretaker

BACKGROUND SUMMARY:

The Housing Authority of the County of Santa Cruz is obligated under California Code of Regulations Title 25, Section 42 – Caretaker, to maintain a resident caretaker or other responsible entity at apartment sites of 16 units or greater. The Housing Authority owns and controls eleven properties that require a caretaker, including two former USDA farmworker properties, eight former public housing properties, and the future Natural Bridges Apartments project.

Prior to the public housing conversion in 2021, the resident caretaker role for all Housing Authority owned and managed properties was filled by local law enforcement officers who would reside in the unit free of charge in exchange for acting as the resident caretaker. At the time of the public housing conversion, the caretakers at each of the eight former public housing properties were removed for two reasons: 1) to maximize the number of low-income families we house with our properties, and 2) to maximize the number of vouchers we would be eligible to receive in the conversion, as HUD would only provide vouchers for any units occupied by low-income families. The two former USDA farmworker projects continued to utilize a law enforcement officer as the resident caretaker.

The following staff recommendation will bring all projects into compliance with the caretaker requirement, while maximizing the number of low-income households residing in Housing Authority units and while enhancing security and safety for our residents.

Staff recommend the Housing Authority enter a partnership agreement with the Santa Cruz County Sheriff's Office to re-establish a law enforcement resident caretaker program similar to the program in place prior to the public housing conversion, with several key changes. In the previous program, law enforcement resident caretakers of *any income level* could reside in the units *free of charge* and for *any duration*. In the proposed new program, the Sheriff's Office would refer an income eligible (at or below 80% AMI) Deputy Sheriff or Correctional Officer to backfill the next

appropriately sized unit when available upon a vacancy. The Officer's tenancy as resident caretaker would involve residing onsite for the sole purpose of meeting the caretaker requirements outlined in a caretaker agreement. Officers would perform resident caretaker duties for the Housing Authority as outlined in the agreement. Resident caretakers would pay a reduced rent, and length of tenancy would be limited to a maximum term anticipated to be between three and five years. Caretaker duties would include, but not be limited to, becoming familiar with all residents, broadly observing resident activity on site, reporting maintenance related issues and/or hazards and contacting appropriate law enforcement and/or other first responders in the event of an emergency. Law enforcement caretakers would not receive a voucher and would not be eligible for continued rental assistance after their agreement expires.

In addition to bringing Housing Authority projects into compliance with the caretaker requirement and improving the safety and security of Housing Authority properties, the law enforcement caretaker program has additional community benefit. The Sheriff's Office has expressed that the rising cost of housing has made it more challenging to attract and retain new recruits and has suggested that resuming the program could be a helpful tool to support recruiting and retaining staff. Additionally, establishing a new partnership will strengthen our relationship with the Sheriff's Office.

Staff recommend one exception to the law enforcement caretaker program. Natural Bridges Apartments anticipates welcoming residents in the fall of 2024. Due to the "very low" (at or below 50% AMI) income restrictions that are unique to this property, the site is unable to accommodate the starting salary of law enforcement officers. The Housing Authority is proposing to select a future program participant to act as the resident caretaker for this site to act as the "responsible entity" and satisfy the resident caretaker requirement. This voluntary role would be crafted in accordance with legal requirements and would not be tied to their tenancy or program participation status. Should a caretaker vacate the position, their status as a resident and program participant would remain unaffected as long as they remain in good standing and program eligible. This alternative program would meet the caretaker requirement while also abiding by the regulatory requirements for tenant eligibility.

RECOMMENDATION: Delegate Authority to the Executive Director to enter a partnership agreement with the Santa Cruz County Sheriff's Office to establish caretaker units at the required Housing Authority owned and controlled properties and to designate one unit at Natural Bridges Apartments for a participant caretaker

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA ITEM SUMMARY

MEETING DATE: August 28, 2024

ITEM NUMBER: 8

FROM: Exec. Director; Deputy Exec. Director

SUBJECT: Director's Report – August 28, 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 August 28, 2024 meeting. My phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

Natural Bridges Apartments – Interior work at the site is in the final stages of completion. On Monday August 12th, Housing Authority staff completed a punch list walk through of the interior building with the general contractor, architects, and engineers. The punch list review is an opportunity to address any design, installation, and material issues that need to be corrected prior to contract completion. A final punch list and walk through will be scheduled to confirm project completion.

On Wednesday August 14th, staff presented the mural design to the Santa Cruz City Arts Commission and were awarded a matching grant of \$15,000 to support the cost of the mural. The artist, Taylor Reinhold, presented the mural design to the commission. The commission requested a minor modification to the mural to translate the text on the mural (“Welcome to our nest” and “We all deserve a nesting place”) so they appear in Spanish as well as English. Taylor is working on this modification to the mural design.

Exterior work continues, which includes landscaping, fencing, curbs, paver installation, and driveway work. In preparing for the driveway an issue was identified with the biopod, a subterranean concrete unit for stormwater filtration. The biopod is a custom designed unit, and was ordered and delivered to the property during the early phases of the project. In December 2023, plans to realign the driveway were implemented due to unexpected issues with the utility pole and coordinating with multiple utility providers on relocating existing infrastructure. The driveway realignment caused the initial biopod to no longer align with the stormwater system. The option to modify the existing biopod by coring a new hole and filling the existing hole were considered, however, in order to ensure the integrity of the unit and to avoid costly unit replacement in the event of failure, staff have requested the order of new biopod for installation. The biopod is estimated to be delivered in 6 to 8 weeks. The driveway asphalt will be paved shortly after the delivery and installation of the new biopod.

The first exterior punch list is scheduled for Monday, September 16, 2024. PG&E is also scheduled to be onsite the same day to install the meter and transformer. This PG&E work only consists of the panelboard and is not to energize the site. PG&E has not provided a date for permanent power, and Housing Authority

staff continue to urge PG&E to schedule the project, and has sought assistance from local officials to advocate PG&E. Upon receiving permanent power the building inspections will commence, which may take 4 to 6 weeks to obtain Temporary Certificate of Occupancy. Based on ongoing delays with PG&E, staff will maintain a two-month rolling forecast for project completion, and staff will provide an updated occupancy date upon PG&E scheduling permanent power installation.

NAHRO Awards of Merit – The National Association of Housing and Redevelopment Officials (NAHRO) Awards of Merit Program provides national recognition to highlight best practices and innovative activities performed by member agencies in the following categories; Resident and Client Services, Community Revitalization, Administrative Innovation, and Affordable Housing. We are proud to share that the Housing Authority of the County of Santa Cruz has received our first Award of Merit in the Resident Services category for our New Horizons Scholarship Program. NAHRO will present the award to agency staff at the National Conference in Orlando in September.