

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE SPECIAL BOARD MEETING
October 30, 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 Providence Martinez Alaniz	4 year term expires, February 10, 2027
Vice Chairperson Annette Melendrez	4 year term expires, September 29, 2027
Commissioner Carol Berg	4 year term expires, May 21, 2025
Commissioner Ligaya Eligio	2 year term expires, October 18, 2026
Commissioner Silvia Morales	4 year term September 1, 2027
Commissioner Andy Schiffrin	4 year term expires, March 17, 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 Special Meeting held October 2, 2024

Motion to Approve

B. Minutes of the Special Meeting held October 15, 2024

Motion to Approve

C. Special December Meeting of Housing Authority Board of Commissioners

Motion to Approve Special Meeting on December 11, 2024 at 11:00 a.m.

D. Housing Authority Annual Agency Goals – Quarter 1 Report

Receive Report

E. Landscaping Services Contract

Motion to Delegate Authority to the Executive Director to Execute Separate Contracts with K&D Landscaping and Paradise Landscape for Landscaping Services

F. Code of Conduct Conflict of Interest Statement

Motion to Approve Update to Code of Conduct Conflict of Interest Statement

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. SB329 – Housing Opportunities Act and Source of Income Discrimination
Receive Report
 - B. Housing Choice Voucher Waiting List
Receive Report, Provide Guidance on Model for Waiting List Opening
 - C. Housing Authority 5-Year PHA Plan - Agency Goals and Objectives
Provide Staff with Feedback about Draft Agency Goals for 2025 - 2030 5-Year PHA Plan
7. Written Correspondence
 - A. Commissioner Eligio’s Re-Appointment Letter from the Board of Supervisors
Receive Letter
8. Director’s Report
9. Reports from Board Members
(Board members may report on meetings attended, if any, or other items of interest.)
10. Closed Session
11. Report on Closed Session
12. Adjournment

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

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

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

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE SPECIAL MEETING OCTOBER 2, 2024 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 1 Roll Call

Vice Chairperson Melendrez called the meeting to order at 11:04 a.m. Members present Vice Chairperson Melendrez, Commissioners Berg, Eligio, Morales Schiffrin and Schmale

Members Absent

Chairperson Martinez Alaniz (entered the meeting at 11:10 a.m.)

Staff Present

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

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

AGENDA ITEM NO. 3 Consent Agenda

Vice Chairperson Melendrez 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 Schiffrin thanked staff for answering his questions on the consent items.

Commissioner Schiffrin moved for the approval of the Consent Agenda; Commissioner Berg seconded the motion and it was passed by the following vote:

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

Agenda Item 3A. Approved Minutes of the Annual Meeting held August 28, 2024
Agenda Item 3B. Fiscal Year-End Financials – Received Report
Agenda Item 3C. Authorized Year-End Interfund Loans from 41st Ave Office Fund
Agenda Item 3D. Approved Draft Revision to Agency Bylaws
Agenda Item 3E. Housing Choice Voucher Administrative Plan Update – Received Report

AGENDA ITEM NO. 4 Oral Communications
None

AGENDA ITEM NO. 5A Unfinished Business

None

Chairperson Martinez Alaniz entered the meeting at 11:10 a.m. and took over chairing the meeting from Vice Chairperson Melendrez.

AGENDA ITEM NO. 6A Sale of 127 – 193 East Front Street, Casa Pajaro

Secretary Panetta introduced Finance Director Pomeroy who stated that at the June 26, 2024 meeting, there was a discussion regarding what resources and strategies to use to spend the available funding during this calendar year including the MTW Reserves. Finance Director Pomeroy reminded the Board that during the meeting, the Board established the Development Sub-Committee to provide guidance to staff on evaluating acquisition and development opportunities before bringing them to the Board of Commissioners. The Development Sub-Committee met with staff on September 6, 2024, in which staff outlined the strategy for the Housing Authority to sell Casa Pajaro to New Horizons Affordable Housing and Development to own and operate the property. This would expend the 19.5 million in reserves and aligns with the Housing Authorities existing plan to Project Base the units at Casa Pajaro following the expiration of the regulatory agreement with USDA.

Finance Director Pomeroy explained to the Board that the Housing Authority intends to sell the Property to New Horizons for the appraised value of \$21,200,000 and enter into various documents to effectuate that sale including but not limited to a grant deed and regulatory agreement. The Housing Authority will record a long-term regulatory agreement against the Property in compliance with MTW funding requirements to ensure continued affordability. The Housing Authority will also provide a loan to New Horizons in an amount not to exceed \$21,200,000 for the acquisition (the "Loan"). A discussion followed.

The Board of Commissioners congratulated Finance Director Pomeroy on this strategy.

Commissioner Schiffrin made a motion to Approve Recommendation authorizing the Executive Director to: (i) sell the property located at 127 – 193 East Front Street to New Horizons Affordable Housing and Development for \$21,200,000 and enter into all documents necessary to effectuate that sale and to ensure the continued affordability of the project, including but not limited to grant deed, and regulatory agreement; and (ii) provide the Loan to New Horizons and enter into all documents necessary to provide the Loan including but not limited to promissory note, and deed of trust; Commissioner Berg seconded the motion and it as passed by the following vote:

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

AGENDA ITEM NO. 6B SB329 – Housing Opportunities Act and Source of Income Discrimination

Secretary Panetta informed the Board that Housing Discrimination based on income has been prohibited by California law for many years. Historically, it was defined to mean lawful, verifiable income paid directly to a tenant or paid to a representative of the tenant. This definition excluded rental assistance paid to a landlord on behalf of a tenant, meaning rental assistance did not count as a “source of income”. Therefore, until recently, landlords were legally permitted to refuse to rent to Housing Choice Voucher participants solely on those grounds.

Secretary Panetta informed the Board that in October of 2019, the state legislators passed SB 329 the Housing Opportunities Act and this law re-defined source of income to include public assistance and housing subsidies paid to the owner on the tenant’s behalf. On passage of this law starting in 2020, it was no longer legally allowable for landlords to establish a policy where they refused to rent to households with a voucher and voucher holders were protected from discrimination from landlords. Secretary Panetta informed the Board that the wording in the law is problematic and could be improved to allow a preference for recipients of rental assistance. Secretary Panetta informed the Board of how other states laws that protect rental assistance recipients are worded. A discussion followed. The Board of Commissioners directed staff to develop specific wording prior to engaging in advocacy, and to return to the Board with the proposed wording and with an update on progress on the advocacy. The Board also suggested reaching out to the County Board of Supervisors to support this amendment. Staff will return to the Board with an update at the October 30, 2024 meeting.

Commissioner Schiffrin made a motion to Approve Advocacy to Amend SB 329 to Allow a Preference for Recipients of Rental Assistance and to reach out to Local Jurisdictions for Support and come back at the October 20, 2024 Meeting with Specific wording to Amend SB 329; Commissioner Eligio seconded the motion and it was passed by the following vote:

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

AGENDA ITEM NO. 7 Written Correspondence
None.

AGENDA ITEM NO. 8 Report of Executive Director

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE SPECIAL MEETING OCTOBER 2, 2024 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

Executive Director Panetta gave the Board an update on the Natural Bridges Apartments. Executive Director Panetta informed the Board that the individual meters are scheduled to be delivered today. Executive Director Panetta will keep the Board informed on the progress of the mural. A discussion followed about when the open house would be held.

Executive Director Panetta informed the Board that staff is proposing scheduling a Board of Commissioners property tour on Tuesday, October 15th. Staff is requesting feedback on the tour logistics. Executive Director Panetta informed the Board that staff can schedule a lengthy tour which would include both north county and south county or have two shorter tours on separate days, one focusing on north county and one focusing on south county. A discussion followed. The Board of Commissioners requested two separate tours, beginning with north county so the Board can tour Natural Bridges before it is occupied. Staff will take the Board's direction.

AGENDA ITEM NO. 9 Reports from Board Members

Chairperson Martinez Alaniz informed the Board of Commissioners that at the Tuesday Board of Supervisors meeting, SEIU 2015 California's Long- Term care providers union will be attending to speak about the need for livable wages and invited the Commissioners to attend to show their support.

AGENDA ITEM NO. 10 Closed Session

None.

AGENDA ITEM NO. 11 Report on Closed Session

None.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 12:06p.m.

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

Chairperson of the Authority

ATTEST: _____

Secretary

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE SPECIAL MEETING OCTOBER 15, 2024 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 1 Roll Call

Chairperson Martinez Alaniz called the meeting to order at 10:02 a.m. Members present Chairperson Martinez Alaniz, Vice Chairperson Melendrez, Commissioners Berg, Eligio, Schiffrin and Schmale

Members Absent

Commissioner Morales (Commissioner Morales joined the tour at 11:15 a.m.)

Staff Present

Jennifer Panetta, Tom Graham, Daniel Fagan and Courtney Byrd of the Housing Authority

AGENDA ITEM NO. 2 Oral Communications

Chairperson Martinez Alaniz informed the Board of Commissioners that she renewed her baptismal vows. The Board congratulated Chairperson Martinez Alaniz.

AGENDA ITEM NO. 3 Tour of Housing Authority Properties

Starting at 2170 41st Avenue Capitola
415 Natural Bridges Drive Santa Cruz
2635 Portola Drive Unit 2 Capitola
1920 B Courtyard Capitola
Ending at 2170 41st Avenue Capitola

AGENDA ITEM NO. 4 Adjournment

The Board of Commissioners meeting was adjourned at 12:30 p.m.

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

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: October 30, 2024

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: Special December Meeting of Housing Authority Board of Commissioners

RECOMMENDATION: Approve Special Meeting on December 11, 2024 at 11:00 a.m.

BACKGROUND SUMMARY:

The Housing Authority bylaws state that the Housing Authority Board of Commissioners does not hold a Regular Meeting in November. Due to the holiday, staff would like to cancel the Regular Meeting of December 25, 2024 and call a Special Meeting of the Housing Authority Board of Commissioners on Wednesday December 11th 2024 at 11:00 a.m.

RECOMMENDATION: Approve Special Meeting on December 11th, 2024 at 11:00 a.m.

MEETING DATE: October 30, 2024

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: Housing Authority Annual Agency Goals – Quarter 1 Report

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Each year, the Housing Authority Board of Commissioners establishes Annual Agency Goals for the upcoming fiscal year. The following goals were established for the period of 7/1/24 – 6/30/25. The target date for completion of all goals is 6/30/25 unless otherwise stated. This report demonstrates the progress on these goals during the first quarter of the fiscal year, from 7/1/24 – 9/30/24. Baseline values reflect the values on 7/1/24, at the beginning of the fiscal year.

Proposed Housing Authority Agency Goals for 2024 - 2025 Fiscal Year

1. Expand Housing Choice Voucher Program:

- a. Achieve cumulative voucher utilization rate of 97% for entire HCV program group, including all voucher types.

	Baseline	Q1	Q2	Q3	Q4
HCV Utilization Rate	95.35%	96.55%			

- b. Lease Up 100% of all new Stability Vouchers (41 vouchers).

	Baseline	Q1	Q2	Q3	Q4
Stability Vouchers Leased	2	29			

- c. Increase total number of households assisted in HCV program group by at least 100 households.

	Baseline	Q1	Q2	Q3	Q4
HCV Households	5,603	5,673			
Cumulative Increase	n/a	70			

- d. Increase number of landlords participating in the HCV program group by 30.

	Baseline	Q1	Q2	Q3	Q4
HCV Landlords	1,949	1,956			
Cumulative Increase	n/a	7			

2. Expand Affordable Housing Supply:

- a. Establish and implement updated Project Based Voucher RFP criteria and process, including parameters for measured PBV growth.

At the August meeting, the Board approved a new Project Based Voucher (PBV) Request for Proposals (RFP) process, along with new scoring criteria. Staff reviewed the criteria with our financial consultant, who provided minor revisions to the financial feasibility section of the application, and who will assist with evaluating the financial feasibility of the projects requesting vouchers. Staff have updated the PBV application, website, and other public facing materials to reflect the new process and criteria. The new RFP was publicly released on October 15, 2024, with applications due on November 18, 2024. Staff will then score and rank applications, and provide conditional award letters by February 3, 2024 in advance of the Low Income Housing Tax Credit application deadline. Staff will keep the Board updated throughout the RFP cycle, and will inform the Board of the outcome of the RFP, after awards are made.

- b. Complete construction of 415 Natural Bridges Drive and fully lease all 20 units.

Construction for Natural Bridges Apartments is in its final stages. The property has received permanent power through PG&E which includes the installation of the master meter and individual unit meters. The biopod for stormwater management has been installed and the auxiliary piping and manhole installation is scheduled to start on October 28. The driveway paving is completed, and striping is imminent. Interior and exterior punch list work is ongoing to address any design, installation and material issues. Inspections for TCO have been initiated with final TCO anticipated to be obtained shortly after completion of the biopod. The mural is expected to be

painted during the second half of November upon the artist obtaining their C33 general paint contractor's license.

Outreach to prospective tenants has been initiated, which includes applicants from the Housing Authority waiting list and active searching voucher holders. Tenancy and move-ins are expected to start in early December.

- c. Optimize financial resources and funding sources, including MTW and New Horizons funds, to acquire property and develop new affordable housing projects.

Earlier this month the Board of Commissioners approved the Housing Authority's sale of Casa Pajaro, 127 – 193 East Front Street, to New Horizons for \$21,200,000. The Housing Authority will provide the necessary amount of MTW funding to New Horizons in the form of a MTW eligibility gap financing loan to acquire the property. Staff are in the process of coordinating this transaction which is expected to be completed in November. Assistance for tenants will be converted to Project Based Vouchers in which the rental revenue will support operating costs of the property but is also expected to generate reserves for New Horizons which can be used for new development activities.

- d. Increase agency capacity to facilitate development activities through issuing a Request for Qualifications for consulting services and/or establishing a Development Director position within the Housing Authority.

In July 2024, the Housing Authority established a new Development Director position and has completed recruitment. The new Development Director, Suzi Merriam, started at the Housing Authority on Monday, October 21. Prior to joining our team as our Development Director, Suzi was the Community Development Director for the City of Watsonville, which included oversight of four divisions: planning, building, code enforcement, and housing.

- e. Issue a Request for Proposals or other procurement to enter a co-development partnership with existing affordable housing developers to develop new affordable housing and obtain Low Income Housing Tax Credit (LIHTC) experience required to apply for future tax credits for our own projects.

In August 2024, the Housing Authority issued a Request for Qualifications (RFQ) to enter a co-development partnership with existing affordable housing developers to develop new affordable housing and obtain the Low Income Housing Tax Credit (LIHTC) experience required to apply for future tax credits for our own projects. This

RFQ has the potential to assist us in identifying new development projects and other related opportunities, while also working with a partner to leverage their LIHTC experience. Several qualified housing developers have contacted the Housing Authority to express interest in entering a joint development agreement, and one development group has formally submitted a proposal which is under review.

3. Expand Programs and Services:

- a. Develop and implement two-year plan for expansion of New Horizons Programs and Services.

Youth – Services targeted primarily to school age children and young adults.

Service	Progress Report
Summer Enrichment Activities (New)	Summer enrichment activity program for school age children ages 5 – 17 residing in households receiving Housing Authority assistance. The Housing Authority will be engaging with Santa Cruz County Parks and Recreation along with other youth activity providers. This program is anticipated for implementation Summer 2025.
Tutoring Program (New)	Tutoring program for school age children ages 5 – 17 residing in households receiving Housing Authority assistance. New Horizons plans to release an RFP for a combination of services that includes the Tutoring Program. This RFP is anticipated to be opened in December 2024, with a selection made in early 2025.
Backpacks and School Supplies (New)	Program to offer backpacks and school supplies to school age children ages 5 – 17 residing in units owned or managed by the Housing Authority. New Horizons has initiated conversations with both the County Office of Education and the United Way with the intent of this program kicking off in August 2025 and supplies being distributed for the 2025-2026 schoolyear.
Scholarship Program	The New Horizons Scholarship program awarded 94 scholarships to Housing Authority program participants for a total of \$96,000 awarded. The Housing Authority hosted an award ceremony in August at Cabrillo College to honor the scholarship recipients. New Horizons will open applications for 2025 scholarships in the Spring.

Families - Services targeted towards both families and individuals that do not fall into either the senior or youth services categories. Additionally, family services include services that may be widely subscribed to by all three groups.

Service	Description
Workforce Development (New)	Program to offer workforce development and employment services such as resume development, job search and career development services to adults in households receiving Housing Authority assistance. New Horizons plans to release an RFP for a combination of services that includes Workforce Development programming. This RFP is anticipated to be opened in December 2024, with a selection made in early 2025.
Financial Workshops and Coaching (New)	Program to offer financial literacy, financial coaching and/or asset building services to adults in households receiving Housing Authority assistance. New Horizons plans to release an RFP for a combination of services that includes Financial Workshops and Coaching programming. This RFP is anticipated to be opened in December 2024, with a selection made in early 2025.
Conflict Resolution Mediation Services	Between July and September of 2024, the Conflict Resolution Center (CRC) opened 8 Housing Authority cases. The CRC resolved three 3 housing cases through mediation that resolved issues pertaining to notices to vacate, landlord tenant disputes and settling back-due rent. Additionally 4 cases were resolved by providing the tenant/landlord with resources or further information and 1 case is ongoing.
Tenant's Rights and Fair Housing Workshops	The Housing Authority is planning to host a fair housing workshop in January of 2025. This workshop will be held over zoom to maximize participation and will be marketed to all program participants. In addition to the tenant workshops, the Housing Authority plans to hold a landlord workshop during January of 2025 to promote Housing Authority programs and promote landlord best practices. Additional workshops will be provided in May during affordable housing month.

Service	Description
Cruzio High Speed Internet	160 Housing Authority owned units now have the option to receive free high speed internet through the Equal Access Program with 126 units being active users. The Housing Authority and Cruzio are continuing to promote the Equal Access Program and to increase adoption rates.

Connected Properties			
<u>Property</u>	<u>Units</u>	<u>Subscribed</u>	<u>Utilization Rate</u>
30th	19	11	58%
Portola Dr.	24	13	54%
Crestview	16	9	56%
Arista Ct.	16	13	81%
Arista Ln.	15	12	80%
Casa Pajaro	34	32	94%
Tierra Alta	36	36	100%
Total	160	126	78.75%

The Housing Authority is partnering with Cruzio to apply for the California Advanced Services Fund Public Housing Account during December 2024. If awarded, this would expand free broadband access to an additional 96 households across seven Housing Authority owned sites. If awarded, site work to begin connecting units would begin during Summer 2025.

Properties Pending Award	
<u>Property</u>	<u>Units</u>
Broadway	5
Grandview	15
17th	14
Blackburn	14
Monte Bello	16
310 Clifford	16
308 Clifford	16
Total	96

Seniors – Services targeted primarily to individuals age 62 and above.

Service	Description
Senior Support Services (New)	Program to offer senior support services such as case management and assistance in access to public benefits, Medicare and in home support services to seniors in Housing Authority owned or managed properties.

	New Horizons plans to release an RFP for a combination of services that includes the Senior Support Services programming. This RFP is anticipated to be opened during in December 2024. This RFP is anticipated to be opened in December 2024, with a selection made in early 2025.
Senior Services Fair (New)	The Housing Authority has engaged with a number of local service providers to invite their participation in a Senior Services Fair. The first north county event will be held in Spring 2025, with an additional event being held in South County in Summer 2025. The Fairs will allow service providers to connect with seniors and market their service offerings. In addition, the Housing Authority plans to provide light food and refreshments along with activities to engage participants.
Project Silver Bells	Program to provide holiday care packages to senior residents of the Housing Authority owned and managed properties kicked off in September. Packages will be assembled and delivered to senior residents in December.

b. Implement Year Two of MTW Asset Building Program and Participate in Evaluation of Program Outcomes.

Since the launch of the Savings for YOU program in March 2024, 52 participants have been actively receiving deposits aimed at encouraging savings and building economic mobility. Each participant received an initial deposit of \$120, followed by \$100 monthly deposits for 23 consecutive months, leading to a total of \$2,420 by the program’s end in February 2026. This program, designed to test asset-building initiatives for assisted households, seeks to increase bank account ownership, promote savings growth, and strengthen household stability.

In addition to the direct deposits, the Housing Authority has partnered with Ventures, a local organization specializing in financial education, to provide financial literacy services. These workshops, which began in June 2024 and will run through August 2025, cover topics like budgeting, banking, managing credit and debt, and understanding credit scores. To ensure maximum engagement, staff have initiated robust outreach activities, encouraging participants to take full advantage of these financial literacy opportunities.

Recently, the Housing Authority hosted a site visit from MEF Associates, HUD’s designated evaluator for the program. MEF Associates are assessing the program’s effectiveness for all agencies participating in the Asset Building cohort of the MTW

Expansion. The evaluation results are expected to be available in 2026, following completion of the first two years of asset building program activities.

4. Improve Agency and Program Management:

- a. Complete Update and Verification of Continued Interest of Waiting List Applicants, and develop plan for re-opening Waiting List.

See agenda item 6A for an update on this goal.

- b. Implementation of Equity Report Card and Action Plan Goals.

A complete report on the progress towards the 2024 / 2025 Equity Report Card and Action Plan goals will be provided to the Board in June 2025.

RECOMMENDATION: Receive report

AGENDA ITEM SUMMARY

MEETING DATE: October 30, 2024

ITEM NUMBER: 3E

FROM: Deputy Executive Director

SUBJECT: Landscaping Services Contract

RECOMMENDATION: Delegate Authority to the Executive Director to Execute Separate Contracts with K&D Landscaping and Paradise Landscape for Landscaping Services

BACKGROUND SUMMARY:

In September 2024, the Housing Authority of the County of Santa Cruz issued a Request for Proposals (RFP) for Landscaping Services for qualified Landscaping contractor(s) to provide professional landscaping services to the Housing Authority offices and owned and controlled properties.

The evaluation panel consisted of three members from the Housing Authority management team to review and score each proposal. Three contractors submitted proposals for review. Qualified contractors were required to have a minimum of five years of experience providing landscape services to commercial properties. Proposals required contractors to demonstrate their ability to fully service all sites without the use of gas-powered leaf blowers and without the use of Round Up or any other toxic herbicide.

The evaluation panel identified two contractors, K&D Landscaping and Paradise Landscape, for contract award. Both contractors have extensive experience working with public agencies to provide general landscape maintenance, landscape design, irrigation services, and tree trimming. Paradise Landscape is currently providing landscape services for the Housing Authority under a prior contract award and has extensive knowledge of Housing Authority sites. K&D offers 35 years of experience in providing high quality landscape services with a focus on customers service and water conservation.

Staff recommend dividing our portfolio of properties into two regions for contract award. Paradise Landscaping will be assigned to the south county, and K&D will be assigned to the north county. The landscapers will be responsible for all routine and special projects within their assigned region; however, the Housing Authority may assign work and projects across regions among the landscapers as needed. This approach will provide redundancy, scalable services for special projects, and will ensure properties are well maintained. The Housing Authority also reserves the right to consolidate the portfolio to a single landscaper under one contract as needed.

Staff recommend the Housing Authority enter individual contracts with K&D Landscaping and

Paradise Landscape to provide landscaping services to properties owned and controlled by the Housing Authority. The total costs for landscaping services over the next five-year period will be **\$1,560,000**. The maximum compensation limit for each landscaper is **\$780,000** which includes an initial one-year term and four options to review for a total contract term of five years. If the Housing Authority elects to consolidate the landscaping services to a single contract, the re-stated contract will establish a maximum compensation limit of **\$1,560,000** over a maximum renewal term of up to five years.

RECOMMENDATION: Delegate Authority to the Executive Director to Execute Separate Contracts with K&D Landscaping and Paradise Landscape

AGENDA ITEM SUMMARY

MEETING DATE:

ITEM NUMBER: 3F

FROM: Executive Director

SUBJECT: Code of Conduct Conflict of Interest Statement

RECOMMENDATION: Approve Update to Code of Conduct Conflict of Interest Statement

BACKGROUND SUMMARY:

The Authority's Code of Conduct and Conflict of Interest Statement is signed by members of the Board of Commissioners and by all staff. This document, created in 2013, included a citation that has since been updated. As a result, we need to revise our Code of Conduct and Conflict of Interest Statement to update the citation from **84.42** and **85.36** to **200.318(c)**, as reflected in the attached document.

At this time, there are no proposed changes in the body of the Conflict of Interest statement. However, staff plan to engage legal counsel in a full review of this document in the coming year, and may present an additional update if changes are recommended at that time.

RECOMMENDATION: Approve Update to Code of Conduct Conflict of Interest Statement



Code of Conduct Conflict of Interest Statement

Purpose: The U.S. Department of Housing and Urban Development (HUD) requires that the Commissioners, employees, contractors or subcontractors be made aware of the following sections of the Code of Federal Regulations. This statement is issued to all affected parties.

§982.161

(a) Neither the Housing Authority nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the U.S. Department of Housing and Urban Development's tenant-based programs in which any of the following classes of persons has any interest, direct or indirect, during his or her tenure with the Housing Authority or for one year thereafter.

1. Any present or former member or officer of the Housing Authority (except a participant commissioner);
2. Any employee of the Housing Authority or any contractor or subcontractor or agent of the Housing Authority who formulates policy or who influences decisions with respect to the programs;
3. Any public official, member of governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs; or
4. Any member of the Congress of the United States

(b) Any member of the classes described in 1,2,3 or 4 must disclose their interest or prospective interest to the Housing Authority and HUD.

(c) The conflict of interest prohibited under this section may be waived by the HUD field office for good cause.

§200.318(c)

No employee, officer or agent of the Housing Authority shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following have a financial or other interest in the firm selected for award.:

1. The employee, officer or agent,
2. Any member of his immediate family,
3. His or her partner, or
4. An organization which employs, or is about to employ, any of the above.

No Commissioner, agent, or employee of the Housing Authority shall ask for, receive or agree to receive any gift, gratuity or reward for the performance of his/her duties or in the awarding of a contract. All offers of gifts shall be reported to the Executive Director. At the discretion of the Executive Director, gifts of an incidental nature such as a holiday box of candies, may be accepted and shared with all staff.

Violations of this Code of Conduct will result in disciplinary action as outlined in the Housing Authority Personnel Policies.

Received by: _____
(Name) (Date)

Position, title or company: _____

By checking this box, you acknowledge that you have read this document and agree to comply with its contents.

AGENDA ITEM SUMMARY

MEETING DATE: October 30, 2024

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: SB329 – Housing Opportunities Act and Source of Income Discrimination

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

At the October 2, 2024 Board of Commissioners meeting, staff shared information regarding limitations of the Housing Opportunities Act (SB 329), which prohibits landlords from discriminating against prospective tenants on the basis of participation in rental assistance programs and therefore protects voucher households from source of income discrimination, but which also prohibits landlords from establishing a preference that *benefits* participants in rental assistance programs. The Board authorized staff to engage in advocacy to propose an amendment to SB 329, and further directed staff to provide the Board with an update on this advocacy and specific proposed language.

Proposed Amendment

Staff propose the following language be added to the Housing Opportunities Act. The language has been discussed with legal counsel and with the California Association of Housing Authorities (CAHA).

“The prohibitions in this chapter against discrimination based on source of income do not restrict a landlord or housing provider from prioritizing applicants for tenancy who qualify for or participate in government-sponsored rental assistance or subsidy programs, vouchers, or certificate systems.”

Update on Advocacy

Staff discussed the proposed amendment of SB 329 with the CAHA Legislative Committee. Committee members agreed that it would be beneficial to many Housing Authorities and affordable housing non-profits to be able to establish a waiting list preference for households participating in rental assistance programs, particularly in communities that had reached their Project Based Voucher (PBV) program cap. The group expressed support for the proposed amendment and indicated that CAHA would endorse such legislation if introduced.

Staff have reached out to Assemblymember Pellerin and Senator Laird's offices to outline the limitations of the current legislation, to propose the additional wording noted above, and to outline the benefits of this amendment. Staff in both offices have expressed interest and receptivity, and have indicated that they will begin the process of considering legislation for the 2025 legislative session after the November elections.

Based on the response from Assemblymember Pellerin and Senator Laird, staff will reach out to additional legislators, as well as to the County Board of Supervisors by late November to request that they provide a letter of support for the proposed amendment, with a goal of introducing legislation prior to the deadline in mid-February. Staff will continue to keep the Board informed of the status of this advocacy.

RECOMMENDATION: Receive Report

AGENDA ITEM SUMMARY

MEETING DATE: October 30, 2024

ITEM NUMBER: 6B

FROM: Executive Director

SUBJECT: Housing Choice Voucher Waiting List

RECOMMENDATION: Receive Report, Provide Guidance on Model for Waiting List Opening

BACKGROUND SUMMARY:

Waiting List Data Refresh

On July 19, 2024, the Housing Authority initiated an update to the Housing Choice Voucher (HCV) Waiting List. Prior to the update, there were 9,808 families on the Santa Cruz Waiting List and 8,002 families on the Hollister/San Juan Bautista Waiting List, with the majority of families (7,867) on both waiting lists. All families received a letter instructing them to update their information and confirm their continued interest in the HCV Program. Families were given 30 days to respond, with the option to respond through the online RentCafe platform or by filling out a physical form and submitting by email, regular mail, or by dropping a form off at our office. Applicants were informed that if they did not respond to confirm their continued interest, their HCV waiting list application would be cancelled.

A total of 1,763 families (18% of those contacted) responded to confirm their interest and maintain their position on the waiting lists. Of the respondents, 78.6% used the online portal and 21.3% submitted a paper form. Approximately one third of the non-responding applicants were cancelled from the list due to their letters being returned to the Housing Authority as undeliverable, while the remaining families were cancelled from the list due to non-response. Staff believe that the number of waiting list applicants will continue to increase modestly as a result of waiting list reinstatements in the coming months. All families that contact the Agency within one year of their cancellation date will automatically be reinstated to their original positions, with reinstatements beyond one year considered on a case-by-case basis as a reasonable accommodation for persons with disabilities and for other mitigating circumstances.

Currently, there are 1,617 applicants on the Santa Cruz list and 1,108 applicants on the San Benito County list, with 779 applicants on both. For each waiting list, the response rate for local applicants was higher than for out-of-county applicants, resulting in waiting lists that have a higher percentage of local applicants than prior to the update.

	Santa Cruz County Waiting List		San Benito County Waiting List	
	Local Applicants	Non-Local Applicants	Local Applicants	Non-Local Applicants
Response Rate	27.9%	11.8%	30.0%	12.8%
Current Applicants	847	770	139	969

As a result of this waiting list update, the Housing Authority now has current, detailed application information for applicants on the waiting list. However, given the size of our current waiting list, staff will need to re-open the waiting list in the coming months.

Waiting List Opening Approaches for Consideration

Staff have evaluated various waiting list policies and practices of public housing authorities nationally. Two primary approaches are presented for consideration and discussion.

Infrequent Waiting List Openings of a Finite Duration

By far, the most common model of waiting list administration of housing authorities nationally involves infrequent waiting list openings of a finite duration. Housing authorities open waiting lists for periods that range from a few days to a few weeks. Some housing authorities will accept all applications received during this period onto their waiting lists. Other housing authorities will add a finite number of applicants. In most instances, housing authorities will sequence the applications with a random lottery, with selections made from the list according to lottery along with any established preferences.

Depending on the number of applications received and the volume of vouchers issued, there may be many years in between waiting list openings. It is not uncommon for housing authority waiting lists to be closed for ten years or longer. With this method, while families added to the waiting list will eventually receive an opportunity for assistance, any families that did not apply during this brief window will have no opportunity to apply for assistance until the next waiting list opening. Further, this waiting list model can often result in a stale waiting list with insufficient applicants for some specific program types or unit types which can result in difficulty in leasing up special program vouchers or PBV units for designated populations.

Continuously Open Waiting or Interest List

A small number of housing authorities have developed an approach to waiting list administration that allows for a continuously open waiting list or interest list. For example, San Diego Housing Authority offers a continuously open waiting list, and does not conduct required annual updates of all applicants. As a result, their waiting list has become extremely large, with nearly 100,000 applicants. Both San Mateo and Santa Clara housing authorities use an approach where they keep a continually open *interest list* as opposed to a *waiting list*. An interest list allows applicants a continuous opportunity to wait for assistance, without all of HUD's requirements for waiting list administration such a fixed sequence for selection. With this model, both San Mateo and Santa Clara conduct

lotteries as needed. For example, if they plan to issue 100 vouchers, they might conduct a random lottery of 150 applicants from their interest list. At that time, those applicants selected in the lottery move from the interest list to the waiting list. In order to avoid the interest list getting too long and to ensure the list is current, both Santa Clara and San Mateo require applicants to update their application at least annually, and will cancel the applications of those who do not update their record. In this way, they have been able to keep the size of their interest lists manageable despite being continuously open. Additionally, for any applicants that are cancelled due to not responding to the annual update, they can be reinstated back to the interest list or can apply again at any time because it is continuously open.

While the continuously open interest list model has the advantage of remaining open to applicants at all times, one disadvantage of the model utilized by both Santa Clara and San Mateo is that based on random chance lotteries, someone who applied last month could get a voucher next month, while someone else might wait many years.

Proposed Model

Staff propose utilizing a model similar to that of Santa Clara and San Mateo, with a continually open interest list, but with an additional mechanism to avoid situations of large deviations in wait time. Staff propose to announce the creation of an Interest List that remains open indefinitely, allowing families to add their name at any time. Periodically, the agency would conduct a lottery based on applicable preferences, selecting a certain number of applicants from the Interest List to be assigned random lottery numbers and placed on the HCV Waiting List. At least annually, Interest List applicants would be required to update their household information and reaffirm their interest in the HCV Program. Applicants would be permitted to reaffirm their interest either through the online portal, or on paper. Those who do not respond to this update will be cancelled from the Interest List. Applicants will be sent a letter to inform them that they have been cancelled, and to instruct them on how they can get back on the Interest List. This way, families who are cancelled due to non-response or returned mail could renew their interest at any time and rejoin the pool. This system would help keep the Interest List manageable and ensure that household information remains current and accurate.

Given that the majority of applicants apply for both waiting lists, staff propose to consolidate the Santa Cruz and San Benito County waiting lists into a single list. The existing 75% Santa Cruz County Live / Work preference would remain in place, with an additional San Benito County Live / Work limited waiting list preference equal to the total number of San Benito County tenant based vouchers (296 vouchers). In this way, when San Benito County vouchers are available, a lottery will be conducted of San Benito County Live / Work preference eligible applicants. However, for all remaining vouchers, the existing 75% Santa Cruz County Live / Work preference would be utilized.

On an annual basis, staff will conduct an analysis of the Interest List. Based on this analysis, staff will conduct additional outreach to any populations that are underrepresented on the list compared to the income-eligible population. Staff will also conduct additional outreach as needed based on the

availability of special population vouchers or PBV units for designated populations. Finally, the analysis will include an evaluation of the application date of those on the Interest List. This way, staff can conduct lotteries for the coming year with a random selection of households who have been on the interest list the longest. For example, if staff are conducting a lottery of 150 households to issue 100 vouchers, staff could limit the lottery to only applicants who applied prior to a given application date. This model would allow staff to ensure that households who have been on the interest list the longest would be prioritized over newer applications. It is anticipated that this interest list date prioritization will not be necessary until after the first annual refresh of the newly established Interest List.

RECOMMENDATION: Receive Report, Provide Guidance on Model for Waiting List Opening

MEETING DATE: October 30, 2024

ITEM NUMBER: 6C

FROM: Executive Director

SUBJECT: Housing Authority 5-Year PHA Plan - Agency Goals and Objectives

RECOMMENDATION: Receive Report, Provide Staff with Feedback about Draft Agency Goals for 2025 - 2030 5-Year PHA Plan

BACKGROUND SUMMARY:

The U.S. Department of Housing and Urban Development (HUD) requires that all Public Housing Agencies (PHAs) develop and implement a 5-Year PHA Plan. The 5-Year PHA Plan outlines the PHA's goals and objectives, serving as a roadmap and guiding the Agency's operations over the next five years. The Housing Authority of the County of Santa Cruz will be preparing a draft 5-Year PHA Plan in the coming months. A draft 5-Year PHA plan will be presented to the Board at the February 2025 meeting for discussion, and then again at the March 2025 meeting for a public hearing and for Board approval in order to submit the Plan to HUD by the deadline of April 17, 2025. At this time, staff seek feedback from the Board of Commissioners on the establishment of Goals and Objectives for the 2025 – 2030 period. The draft goals and objectives below have been developed to align with the Agency's updated Mission Statement and Core Values, as well as to continue to the general trajectory of the previous 5-year period, with major underlying goals of expanding the size and utilization of rental assistance programs, expanding the supply of affordable housing, and providing additional programs and services.

Mission Statement and Core Values

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

Core Values: Integrity | Community | Respect | Compassion | Equity | Service

Proposed Housing Authority Agency Goals and Objectives for 2025 - 2030 Fiscal Years

1. Goal: Expand Housing Choice Voucher Program

Objectives:

- a. Achieve and Maintain a Housing Choice Voucher (HCV) utilization rate of 99% for the entire HCV program group
- b. Increase size of rental assistance programs by at least new 250 vouchers
- c. Increase total number of households assisted by at least 350 households
- d. Increase number of landlords participating in the HCV program by at least 100

2. Goal: Expand supply of affordable housing

Objectives:

- a. Increase the size of project-based voucher program by at least 500 units under HAP contract, with at least 400 of those units provided to new affordable housing developments
- b. Establish an affordable housing pipeline, with a minimum of 100 new affordable units constructed and/or entitled, through Housing Authority nonprofit or affiliated entity
- c. Enter into one or more co-development partnerships with existing affordable housing developers to develop new affordable housing and to obtain Low Income Housing Tax Credit (LIHTC) experience required to apply for future tax credits for Housing Authority projects

3. Goal: Improve quality of affordable housing

Objectives:

- a. Install solar photovoltaic panels to provide clean renewable energy at the 6 properties identified through the Solar on Multifamily Affordable Housing Program assessment.
- b. At applicable properties, convert existing natural gas appliances which includes hot water boilers and cooking ranges to an electric or other green energy source system.
- c. Develop program to reimburse HCV landlords for unit modifications that are required for an HCV tenant with disability related housing needs

4. Goal: Increase housing choices for assisted families:

Objectives:

- a. Conduct FMR study bi-annually to ensure FMRs keep pace with market rents, and to maximize funding
- b. Offer voucher mobility counseling services to voucher holders, such as workshops on how to search for rental housing, preparation of rental resumes, etc.

5. Goal: Improve agency and program management

Objectives:

- a. Expand access to Housing Choice Voucher Program through a new waiting list model with a continuously open waiting list or interest list
- b. Survey key stakeholders periodically, including but not limited to landlords and assisted families to identify areas for improvement in programs, services, and operations

6. Goal: Utilize housing as a catalyst to promote equity, economic mobility, and improved quality of life

Objectives:

- a) Update Equity Report Card and Action Plan annually
- b) Promote asset development through implementation and evaluation of HUD MTW Asset Building Savings for YOU Program
- c) Identify strategies and best practices for extending or expanding the Savings for YOU Program beyond the initial cohort
- d) Implement Board-Approved Resident Services Plan, with multi-generational services available to all tenants of Housing Authority owned or managed properties to improve quality of life.
 - i. Youth – Services targeted primarily to school age children and young adults, including scholarships, summer enrichment activities and tutoring
 - ii. Families – Services including workforce development and financial workshops and coaching
 - iii. Seniors – Services including senior support case management and assistance in access to public benefits
- e) Evaluate Resident Services periodically to measure efficiency and impact of existing services offered, to identify emerging needs, and to update Resident Services Plan

RECOMMENDATION: Receive Report, Provide Staff with Feedback about Draft Agency Goals for 2025 - 2030 5-Year PHA Plan



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

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

Subject: At-Large Reappointment to the Housing Authority Board of Commissioners (Tenant Rep)

Meeting Date: September 24, 2024

Recommended Actions:

- 1) Accept nomination of Ligaya Eligio for reappointment to the Housing Authority Board of Commissioners, as an at-large tenant representative, in accordance with Resolution No. 389-69, for a term to expire October 18, 2026; and
- 2) Return for consideration of final appointment on October 8, 2024.

Executive Summary

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

Discussion

Based on the letter received, Ligaya Eligio has been nominated to serve an additional two-year term, as the at-large tenant representative, with final appointment to be considered on October 8, 2024.

Submitted by:

Justin Cummings, Chair, Board of Supervisors

Attachments:

Letter of Housing Authority Board - Reappointment of Ligaya Eligio

APPROVED

10/8/2024

AGENDA ITEM SUMMARY

MEETING DATE: October 30, 2024

ITEM NUMBER: 8

FROM: Exec. Director; Deputy Exec. Director

SUBJECT: Director's Report – October 30, 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 October 30, 2024 meeting. My phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

Natural Bridges Apartments – Construction for Natural Bridges Apartments is in its final stages. The property has received permanent power through PG&E which includes the installation of the master meter and individual unit meters. The biopod for stormwater management has been installed and the auxiliary piping and manhole installation is scheduled to start on October 28. The driveway paving is completed, and striping is imminent. Interior and exterior punch list work is ongoing to address any design, installation and material issues. Inspections for TCO have been initiated with final TCO anticipated to be obtained shortly after completion of the biopod. The mural is expected to be painted during the second half of November upon the artist obtaining their C33 general paint contractor's license.

Outreach to prospective tenants has been initiated, which includes applicants from the Housing Authority waiting list and active searching voucher holders. Tenancy and move-ins are expected to start in early December.

Project Based Vouchers Request for Proposals (RFP) – At the August meeting, the Board approved a new Project Based Voucher (PBV) Request for Proposals (RFP) process, along with new scoring criteria. Staff reviewed the criteria with our financial consultant, who provided minor revisions to the financial feasibility section of the application, and who will assist with evaluating the financial feasibility of the projects requesting vouchers. Staff have updated the PBV application, website, and other public facing materials to reflect the new process and criteria. The new RFP was publicly released on October 15, 2024, with applications due on November 18, 2024. Staff will then score and rank applications, and provide conditional award letters by February 3, 2024 in advance of the Low Income Housing Tax Credit application deadline. Staff will keep the Board updated throughout the RFP cycle, and will inform the Board of the outcome of the RFP, after awards are made.