

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
May 28, 2025 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, 2029
Commissioner Ligaya Eligio	2 year term expires, October 18, 2026
Commissioner Silvia Morales	4 year term September 1, 2027
Commissioner Andy Schifffrin	4 year term expires, March 17, 2027
Commissioner Richard Schmale	2 year term expires, May 12, 2027

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

A. Minutes of the Regular Meeting held April 23, 2025

Motion to Approve

B. Quarterly Financials

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. Agency Budget for FY 2025-2026

Motion to Adopt Resolution 2025-07: Adopting the Fiscal Year 2025-2026 Agency Budget for the Housing Authority of the County of Santa Cruz

7. Written Correspondence

A. Commissioner Schmale's Re-Appointment Letter from the Board of Supervisors

B. Commissioner Berg's Re-Appointment Letter from the Board of Supervisors

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 REGULAR MEETING APRIL 23, 2025, 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 11:01 a.m. Members present Chairperson Martinez Alaniz, Vice Chairperson Melendrez, Commissioners Berg, Eligio, Schiffrin and Schmale (Commissioner Morales entered the meeting at 11:03 a.m.)

Members Absent

None.

Staff Present

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

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

None.

AGENDA ITEM NO. 3 Consent Agenda

Chairperson Martinez Alaniz 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.

No items were pulled but staff proposed a wording change in Agenda Item 3D Revisions to Personnel Policies, under Disciplinary Actions and Performance Improvement Notices and Plans, on page 68, item 24. The wording currently is “Any actual or apparent conflict of interest in carrying out job duties.” Staff is proposing the wording be changed to “Any conflict of interest in carrying out job duties.” The Board of Commissioners agreed to this wording change. Commissioner Schiffrin thanked staff for the revision.

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

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

Agenda Item 3A. Approved Minutes of the Regular Meeting held March 26, 2025

Agenda Item 3B. Received Report Housing Authority Annual Agency Goals – Quarter 3 Report

Agenda Item 3C. Received Report Housing Authority Project Based Voucher Program – Quarter 3 Report

Agenda Item 3D. Approved Revisions to Personnel Policies

AGENDA ITEM NO. 4 Oral Communications
None.

AGENDA ITEM NO. 5A Unfinished Business
None.

AGENDA ITEM NO. 6A New Business
None.

AGENDA ITEM NO. 7 Written Correspondence
None.

AGENDA ITEM NO. 8 Report of Executive Director

Deputy Executive Director Graham reminded the Board that the grand opening event for 415 Natural Bridges Apartments is scheduled for May 9th at 11:00 a.m.

Deputy Executive Director Graham updated the Board on the Chanticleer Avenue property.

Deputy Executive Director Graham updated the Board on the Portola Drive property.

Deputy Executive Director Graham informed the Board of Commissioners that several tenants at Hilltop Apartments have raised concerns about the property management company's treatment of tenants and the conditions of the units. Deputy Executive Director Graham outlined the steps staff are currently taking to address the issues and called the Board's attention to a news article about the property, which was included in the Board packet for reference.

Executive Director Panetta informed the Board that May is Affordable Housing Month. Executive Director Panetta informed the Board of Commissioners about the events the Housing Authority will be hosting or co-hosting. Additionally, Executive Director Panetta noted that a comprehensive calendar of Affordable Housing Month activities will be available on the Housing Santa Cruz County website.

Executive Director Panetta updated the Board on the progress of the AB 282 Source of Income Discrimination bill.

Executive Director Panetta informed the Board that the Pacific Southwest Regional Council (PSWRC) of

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING APRIL 23, 2025, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

the National Association of Housing and Redevelopment Officials (NAHRO) will be holding their annual conference May 28 – 30 in Fresno, CA. Executive Director Panetta informed the Board that if any of the Commissioners are interested in attending, they should contact Courtney Byrd.

Executive Director Panetta updated the Board on the Emergency Housing Voucher funding.

Executive Director Panetta informed the Board that the Housing Authority hosts an annual art contest for children living in households assisted through its programs, in partnership with the National Association of Housing and Redevelopment Officials (NAHRO), titled “*What Housing Means to Me.*” Executive Director Panetta highlighted one of the entries and informed the Board that this artwork will be entered into the national NAHRO contest held in Washington, D.C.

AGENDA ITEM NO. 9 Reports from Board Members
None.

AGENDA ITEM NO. 10 Closed Session
None.

AGENDA ITEM NO. 11 Report on Closed Session
None.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 11:21 a.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 May 2025.

Chairperson of the Authority

ATTEST: _____

Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: May 28, 2025

ITEM NUMBER: 3B

FROM: Finance Director

SUBJECT: Quarterly Financials

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

The year-to-date financial reports, as of March 31, 2025, take us 9 months, or 75%, into the current fiscal year. The total of all revenue, excluding HAP reimbursements and Operating Transfers, is 83% of total budgeted, while HAP is 75% of the amount budgeted. Total expenses, excluding HAP and Operating Transfers, are 66% of the amount budgeted. Total non-HAP expenses are currently under budget because of lower than anticipated capital expenditures.

The significant budget variance in the Operating Transfers In and Operating Transfers Out line items is a result of using \$21.2M of MTW funding as gap financing for New Horizons' acquisition of Casa Pajaro. The sale of Casa Pajaro to New Horizons resulted in the sale/purchase price of \$21.2M flowing through the income statement as an Operating Transfers In at the HCV level due to the source of funding being a combination of MTW reserve funding and MTW Set-Aside funding. The transaction flowed through the HCV Operating Transfers Out as a gap financing loan to New Horizons to fund the acquisition. The sales proceeds and the interest earned on the proceeds also flowed through the Business Activities program group as the proceeds were placed in the agency's unrestricted reserves.

The agency as a whole is experiencing a year-to-date surplus of \$2,132,953 primarily due to the Section 8 HCV administrative fees exceeding administrative expenses and the unrestricted revenue generated from Business Activities. The surplus and deficit positions programs groups are as follows:

Section 8 Programs	\$1,441,205	Vouchers, Mod Rehab & Mod Rehab SRO
Federal Housing Programs	3,709	Casa Pajaro & Tierra Alta Farm Labor Housing, LIPH
Federal Grants	0	Family Self Sufficiency & Shelter Plus Care Grants
Local Programs	(40,202)	Security Deposits, Landlord Incentives, Eligibilities
Business Activities	728,241	Includes 41st Ave Offices & Mission St Warehouse
Agency-Wide Surplus	\$2,132,953	

The following individual programs are experiencing a year-to-date deficit:

City of Santa Cruz	(\$6,398)	(Local programs funds insufficient to cover personnel costs)
County of Santa Cruz	(\$35,333)	(TBRA grant funds insufficient to cover personnel costs)

RECOMMENDATION: Receive Report

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
Budget Comparison - All Funds
Agency-Wide Summary
Fiscal Year to Date for the Period July 1, 2024 - March 31, 2025 (3rd Quarter)

		2024-2025	
	FY 2024-2025	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	110,961,983	148,357,496	75%
Administrative Fees	8,890,589	10,393,926	86%
Grants / Contracts	651,883	1,021,188	64%
Rental Income	1,372,730	2,062,681	67%
Operating Transfers In	42,505,689	8,773,022	485%
Other Income	470,952	160,954	293%
Total Revenues:	164,853,827	170,769,268	97%
Expenses:			
Housing Assistance Pmts	110,961,983	148,357,496	75%
Salaries	4,428,528	6,082,590	73%
Employee Benefits	1,836,026	2,837,174	65%
Capital Purchases	207,578	1,252,035	17%
Maintenance	317,621	579,938	55%
General Administrative	1,956,991	2,670,616	73%
Tenant Services	612,146	794,037	77%
Operating Transfers Out	42,400,000	7,376,812	575%
Debt Service	0	0	0%
Total Expenses:	162,720,874	169,950,698	96%
Surplus (Deficit):	2,132,953	818,569	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
Budget Comparison - Section 8
Includes Mod Rehab, Mainstream, and Santa Cruz Voucher Program
Fiscal Year to Date for the Period July 1, 2024 - March 31, 2025 (3rd Quarter)

	2024-2025		
	FY 2024-2025	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	110,122,407	147,179,482	75%
Administrative Fees	7,506,094	9,090,513	83%
Grants / Contracts	-	-	0%
Rental Income	-	-	0%
Operating Transfers In	21,200,000	297,210	7133%
Other Income	147,526	37,821	390%
Total Revenues:	138,976,028	156,605,027	89%
Expenses:			
Housing Assistance Pmts	110,122,407	147,179,482	75%
Salaries	3,224,623	4,823,279	67%
Employee Benefits	1,518,132	2,433,492	62%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	1,347,661	1,921,049	70%
Tenant Services	122,000	42,000	290%
Operating Transfers Out	21,200,000	-	0%
Debt Service	-	-	0%
Total Expenses:	137,534,823	156,399,302	88%
Surplus (Deficit):	1,441,205	205,725	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Housing

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

Fiscal Year to Date for the Period July 1, 2024 - March 31, 2025 (3rd Quarter)

	2024-2025		
	FY 2024-2025	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	-	-	0%
Rental Income	573,828	1,021,829	56%
Operating Transfers In	105,689	8,475,812	1%
Other Income	28,570	61,000	47%
Total Revenues:	708,087	9,558,641	7%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	160,447	267,632	60%
Employee Benefits	38,964	95,855	41%
Capital Purchases	192,820	1,222,535	16%
Maintenance	213,946	414,288	52%
General Administrative	98,202	175,472	56%
Tenant Services	-	-	0%
Operating Transfers Out	-	7,376,812	0%
Debt Service	-	-	0%
Total Expenses:	704,379	9,552,594	7%
Surplus (Deficit):	3,709	6,047	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Grants

Includes Family Self Sufficiency and Shelter Plus Care Grants

Fiscal Year to Date for the Period July 1, 2024 - March 31, 2025 (3rd Quarter)

	2024-2025		
	FY 2024-2025	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	839,576	1,178,014	71%
Administrative Fees	-	-	0%
Grants / Contracts	158,872	221,648	72%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	-	-	0%
Total Revenues:	998,448	1,399,662	71%
Expenses:			
Housing Assistance Pmts	839,576	1,178,014	71%
Salaries	118,985	149,196	80%
Employee Benefits	30,279	49,089	62%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	727	1,866	39%
Tenant Services	8,881	21,497	41%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	998,448	1,399,662	71%
Surplus (Deficit):	0	0	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
Budget Comparison - Local Programs
Includes programs funded by the local jurisdictions
Fiscal Year to Date for the Period July 1, 2024 - March 31, 2025 (3rd Quarter)

	2024-2025		
	FY 2024-2025	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	493,011	799,540	62%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	17,799	15,750	113%
Total Revenues:	510,810	815,290	63%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	43,205	51,068	85%
Employee Benefits	12,041	14,526	83%
Capital Purchases	-	-	0%
Maintenance	-	-	0%
General Administrative	14,500	17,349	84%
Tenant Services	481,265	730,540	66%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	551,012	813,483	68%
Surplus (Deficit):	(40,202)	1,807	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Business Activities

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

Fiscal Year to Date for the Period July 1, 2024 - March 31, 2025 (3rd Quarter)

	2024-2025		
	FY 2024-2025	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	1,384,494	1,303,413	106%
Grants / Contracts	-	-	0%
Rental Income	798,902	1,040,852	77%
Operating Transfers In	21,200,000	-	0%
Other Income	277,057	46,383	597%
Total Revenues:	23,660,454	2,390,648	990%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	881,268	791,415	111%
Employee Benefits	236,610	244,212	97%
Capital Purchases	14,758	29,500	50%
Maintenance	103,675	165,650	63%
General Administrative	495,901	554,881	89%
Tenant Services	-	-	0%
Operating Transfers Out	21,200,000	-	0%
Debt Service	-	-	0%
Total Expenses:	22,932,212	1,785,658	1284%
Surplus (Deficit):	728,241	604,990	

AGENDA ITEM SUMMARY

MEETING DATE: May 28, 2025

ITEM NUMBER: 6A

FROM: Finance Director

SUBJECT: Agency Budget for FY 2025-2026

RECOMMENDATION: Resolution 2025-07: Adopting the Fiscal Year 2025-2026 Agency Budget for the Housing Authority of the County of Santa Cruz

BACKGROUND SUMMARY:

We are pleased to present the proposed FY2025-2026 budget for the Housing Authority of the County of Santa Cruz. Of the Agency's five program groups listed on page 20 (Section 8, Federal Housing, Federal Grants, Local Programs, and Business Activities), none of the program groups have anticipated budget deficits for the coming year. It's a positive sign for the Agency's revenue sources to align with each program's financial need since surplus funding is generally restricted for the sole benefit of a given program and cannot be used to supplement funding deficits in other program areas with the exception of Moving-to-Work (MTW) fungibility.

The Business Activities program group (Page 42) and Section 8 program group (Page 23) are projected to generate the majority of the overall Agency-wide surplus of \$892,262. The \$698,199 budgeted surplus for the Business Activities program group is a result of the commercial rental income generated by the Authority owned buildings on Mission Street and 41st Avenue which serves as a fully unrestricted source of revenue.

The Section 8 program group includes the Housing Choice Vouchers (HCV), Emergency Housing Vouchers (EHV), Mainstream Vouchers, and Moderate Rehabilitation units. In March, HUD unexpectedly announced that the cost of funding the EHV program exceeded original projections at the national level, and was not sufficient to provide ten years of funding as originally anticipated. As a result, Housing Authorities would receive a final EHV renewal funding allocation which would provide funding through approximately the end of calendar year 2026. When factoring in the anticipated attrition, estimates indicate roughly 225 EHV households remaining on the program at the end of 2026 when funding would be depleted. To help ensure continued rental assistance beyond that date, staff have taken proactive steps to create space in the HCV program. These steps will accelerate the rate of our HCV program attrition and maximize the number of HCVs that are available for EHV households. Overall voucher units leased will decrease as the EHV program attritions down through transfers to the HCV program. The Agency's budget reflects this overall decrease in units leased resulting in a projected lease up rate of 98.7% with 5,754 households receiving assistance by the end of the upcoming fiscal year.

The quarterly voucher program lease up goals and the corresponding HAP are listed in the table below:

	Sept 2025	Dec 2025	Mar 2026	Jun 2026
Unit Count	5,865	5,828	5,804	5,754
HAP	\$ 13,180,944	\$ 13,238,531	\$ 13,461,660	\$ 13,676,024

Section 8 admin fees provide the majority of the Agency's overall administrative funding. A monthly per unit admin fee is earned for every family that is housed. For the past few years, HUD has increased the per unit admin fee by a higher factor than in earlier years to coincide with higher overall inflation. That trend continues for calendar year 2025 with the per unit admin fee rate increasing by 5.3%. Admin fee funding is also impacted by admin fee proration levels which reduce the full per unit admin fee funding that HUD has historically used as the benchmark level of funding for housing authorities to efficiently operate a voucher program. The proposed budget was prepared using an admin fee proration level of 90% for the first 6 months of the budget year based on HUD's guidance and a more conservative 86% for the second half of the fiscal year. Please refer to the chart on page 5 for historical admin fee proration levels. Even slight changes to the admin fee proration level can have a significant impact on the Agency's ability to cover the administrative costs of operating the voucher programs. For this reason, the Agency strives to generate a budget surplus in the Section 8 program group on an annual basis to create admin fee reserves that can be drawn upon during years with budget deficits when admin fee prorations are especially severe. Despite these lower admin fee proration levels, the proposed budget forecasts a surplus of \$190,194 for the Section 8 program group.

Moving-To-Work (MTW) funds that would be available for development activity during calendar year 2025 funding cycle are estimated to be roughly \$3 million, which is the portion of excess HCV funding that remains after addressing HAP related expenditures with the goal of achieving a calendar year-end reserve balance that is comfortably below HUD's anticipated reserve recapture threshold. These proceeds can be used for development activity as a result of the agency's MTW funding flexibility.

The Federal Housing program group (Page 31) has a projected surplus of \$2,619 as Tierra Alta is utilizing its substantial increase in rental income (following the project's PBV conversion earlier this year) to fund the rehabilitation of the site's wastewater system. Casa Pajaro was sold to New Horizons during the current fiscal year so there will be no budgeted activity for that project at the Housing Authority level.

Staffing levels are projected to increase by 3.5 full-time equivalents (FTE) when comparing the budgeted positions from FY2024-25 to FY2025-26 on Page 13, including an anticipated .5 FTE of overlap with the departing and incoming Finance Directors. As more focus and resources are placed on development activities, including the addition of a Development Director position, additional agency overhead salaries and benefits are charged to New Horizons via a management fee within the Business Activities program group.

The agency's proposed budget includes a 2% Cost of Living Adjustment (COLA) for staff effective at the beginning of the fiscal year. The proposed COLA aligns with inflationary trends over the last year in the SF Bay Area based on the Consumer Price Index (CPI) conducted by the U.S. Bureau of Labor Statistics. Adjusting salaries to be aligned with CPI trends will help minimize major salary adjustments during the next salary comparability study.

Overall, the agency's robust unrestricted revenue sources from business activities combined with \$4.5 million of Section 8 administrative fee reserves are available to provide budgetary relief during this time of uncertainty in future federal funding levels. Our MTW designation also provides financial flexibility to help strategically position the agency.

RECOMMENDATION: Resolution 2025-07: Adopting the Fiscal Year 2025-2026 Agency Budget for the Housing Authority of the County of Santa Cruz

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

RESOLUTION NO. 2025-07

On the motion of Commissioner
Duly seconded by Commissioner

The Following Resolution is Adopted:

**RESOLUTION NO. 2025-07 ADOPTING THE FISCAL YEAR 2025-
2026 AGENCY BUDGET FOR THE HOUSING AUTHORITY OF
THE COUNTY OF SANTA CRUZ**

WHEREAS, The Housing Authority of the County of Santa Cruz, in accordance with the Regulations of the United States Department of Housing and Urban Development (HUD) prior to the beginning of its Fiscal Year, are required to prepare an Operating Budget, and;

WHEREAS, the Housing Authority of the County of Santa Cruz's Board of Commissioners must review and approve the budget by Resolution each fiscal year, and;

WHEREAS, the Housing Authority of the County of Santa Cruz must submit to HUD, in a time and manner prescribed by HUD by the approved Board Resolution.

NOW, THEREFORE, BE IT RESOLVED that the Agency Budget for Fiscal Year 2025-2026 for the Housing Authority of the County of Santa Cruz be approved.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Santa Cruz, State of California, on May 28, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

Chairperson of the Authority

Secretary of the Authority



Executive Director

Jennifer Panetta

Finance Director

Aaron Pomeroy

Board of Commissioners

Providencia Martínez-Alaniz, Chairperson

Annette Melendrez, Vice-Chairperson

Carol Berg

Ligaya Eligio

Annette Melendrez

Silvia Morales

Andy Schiffrin

Richard Schmale

Proposed Budget

2025-2026

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2025 - 2026
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BUDGET TERMS

TERM	DESCRIPTION	COMMENTS
Administrative Fees	Fees derived from contracts or services	Section 8 admin fees are earned on each HAP contract on the first of each month. Admin fees earned for other programs are received from services provided or derived from a fee schedule or composite labor rate.
Grants/Contracts	Funding from grants or contracts with various agencies to perform specific services.	Includes grant and contracts with local, state, and federal agencies
Rental Income	Rental Income on Housing Authority owned property	Dwelling rental income from HUD and USDA programs and non-dwelling rental income for Housing Authority owned buildings.
Operating Transfers In	Transfer of funds from one program or fund to another	Sources of Operating Transfers In are from reserves funds or funding from outside sources or funds.
Other Income	Income that does not conform to the other categories	Examples include laundry vending receipts, tenant charges for repairs, proceeds from repayment agreements, and interest income.
Housing Assistance Payments (HAPs)	Supplemental rent payments made directly to landlords on behalf of qualified low-income tenants	These are pass-through funds provided by the United States Department of Housing and Urban Development (HUD).
Salaries	Salaries for administrative and maintenance staff	
Employee Benefit Expenses	Payroll taxes and fringe benefits for long-term, permanent staff	Benefits: Health, dental, vision, retirement life, accidental death and dismemberment, short-term and long-term disability. Taxes: Medicare, and unemployment.
Capital Purchases	Equipment purchases and site or building improvements that meet the Agency's capitalization threshold.	These items are capitalized and depreciated over the term of their useful lives. Purchases not meeting the minimum threshold of \$5,000 are expensed when incurred.

BUDGET TERMS

TERM	DESCRIPTION	COMMENTS
Maintenance	Costs of maintenance and repair of buildings and equipment	Included in this category is the maintenance and repair of buildings, appliances, office equipment, service contracts, and utilities.
General Administrative	Items of administrative expense for which no specific account is prescribed in the other categories	Included in this category is the cost of most overhead expenses such as office supplies, postage, telephone, etc. Also includes legal fees, training, travel, audit fees, office lease payments, and insurance.
Tenant Services	Support services, landlord incentives, and security deposit assistance provided to low income participants through federal and local programs.	Includes services or participant assistance provided through contracts with various federal and local jurisdictions and services/programs administered by the HA staff.
Operating Transfers Out	Transfers from one program or fund to another.	Includes transfers to reserve accounts, loans to affiliated entities, and pre-funding of external pension accounts.
Debt Service	Includes principal and interest payments.	Notes are secured by the underlying properties.

Budget Narrative

We are pleased to present the proposed FY2025-2026 budget for the Housing Authority of the County of Santa Cruz. Of the Agency's five program groups listed on page 20 (Section 8, Federal Housing, Federal Grants, Local Programs, and Business Activities), none of the program groups have anticipated budget deficits for the coming year. It's a positive sign for the Agency's revenue sources to align with each program's financial need since surplus funding is generally restricted for the sole benefit of a given program and cannot be used to supplement funding deficits in other program areas with the exception of Moving-to-Work (MTW) fungibility.

The Business Activities program group (Page 42) and Section 8 program group (Page 23) are projected to generate the majority of the overall Agency-wide surplus of \$892,262. The \$698,199 budgeted surplus for the Business Activities program group is a result of the commercial rental income generated by the Authority owned buildings on Mission Street and 41st Avenue which serves as a fully unrestricted source of revenue.

The Section 8 program group includes the Housing Choice Vouchers (HCV), Emergency Housing Vouchers (EHV), Mainstream Vouchers, and Moderate Rehabilitation units. In March, HUD unexpectedly announced that the cost of funding the EHV program exceeded original projections at the national level, and was not sufficient to provide ten years of funding as originally anticipated. As a result, Housing Authorities would receive a final EHV renewal funding allocation which would provide funding through approximately the end of calendar year 2026. When factoring in the anticipated attrition, estimates indicate roughly 225 EHV households remaining on the program at the end of 2026 when funding would be depleted. To help ensure continued rental assistance beyond that date, staff have taken proactive steps to create space in the HCV program. These steps will accelerate the rate of our HCV program attrition and maximize the number of HCVs that are available for EHV households. Overall voucher units leased will decrease as the EHV program attritions down through transfers to the HCV program. The Agency's budget reflects this overall decrease in units leased resulting in a projected lease up rate of 98.7% with 5,754 households receiving assistance by the end of the upcoming fiscal year.

The quarterly voucher program lease up goals and the corresponding HAP are listed in the table below:

	Sept 2025	Dec 2025	Mar 2026	Jun 2026
Unit Count	5,865	5,828	5,804	5,754
HAP	\$ 13,180,944	\$ 13,238,531	\$ 13,461,660	\$ 13,676,024

Section 8 admin fees provide the majority of the Agency's overall administrative funding. A monthly per unit admin fee is earned for every family that is housed. For the past few years, HUD has increased the per unit admin fee by a higher factor than in earlier years to coincide with higher overall inflation. That trend continues for calendar year 2025 with the per unit admin fee rate increasing by 5.3%. Admin fee funding is also impacted by admin fee proration levels which reduce the full per unit admin fee funding that HUD has historically used as the benchmark level

of funding for housing authorities to efficiently operate a voucher program. The proposed budget was prepared using an admin fee proration level of 90% for the first 6 months of the budget year based on HUD's guidance and a more conservative 86% for the second half of the fiscal year. Please refer to the chart on page 5 for historical admin fee proration levels. Even slight changes to the admin fee proration level can have a significant impact on the Agency's ability to cover the administrative costs of operating the voucher programs. For this reason, the Agency strives to generate a budget surplus in the Section 8 program group on an annual basis to create admin fee reserves that can be drawn upon during years with budget deficits when admin fee prorations are especially severe. Despite these lower admin fee proration levels, the proposed budget forecasts a surplus of \$190,194 for the Section 8 program group.

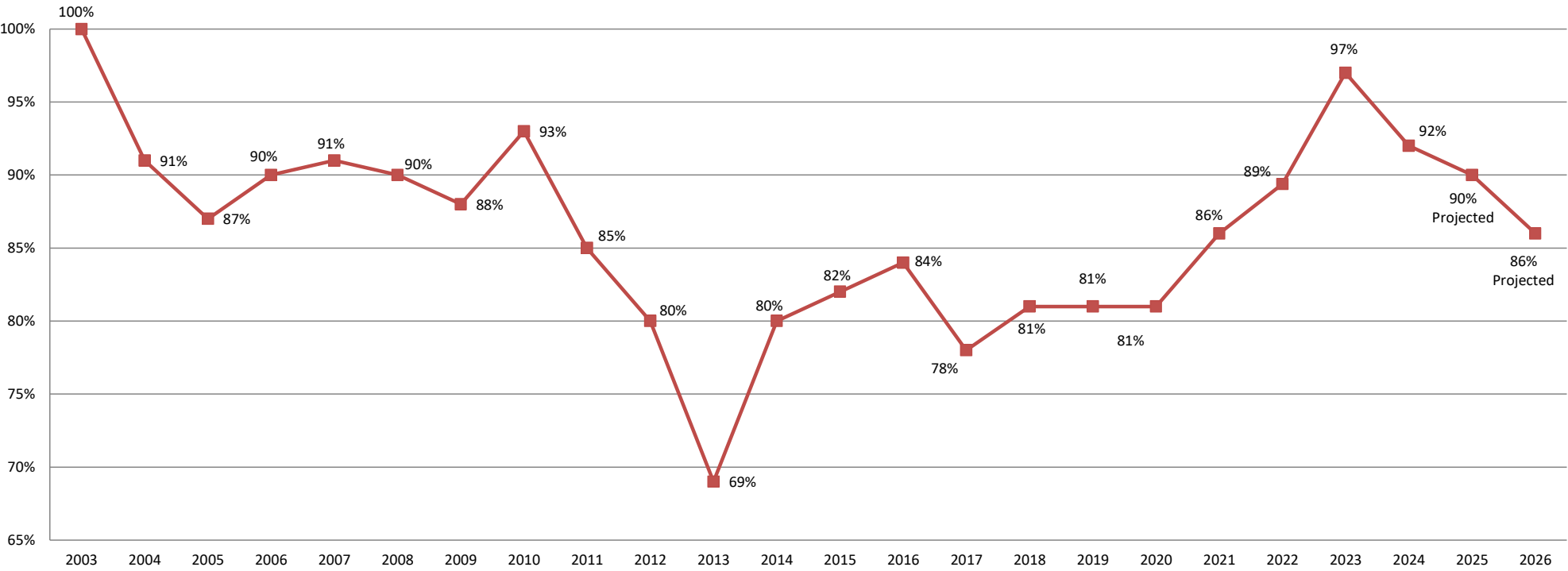
Moving-To-Work (MTW) funds that would be available for development activity during calendar year 2025 funding cycle are estimated to be roughly \$3 million, which is the portion of excess HCV funding that remains after addressing HAP related expenditures with the goal of achieving a calendar year-end reserve balance that is comfortably below HUD's anticipated reserve recapture threshold. These proceeds can be used for development activity as a result of the agency's MTW funding flexibility.

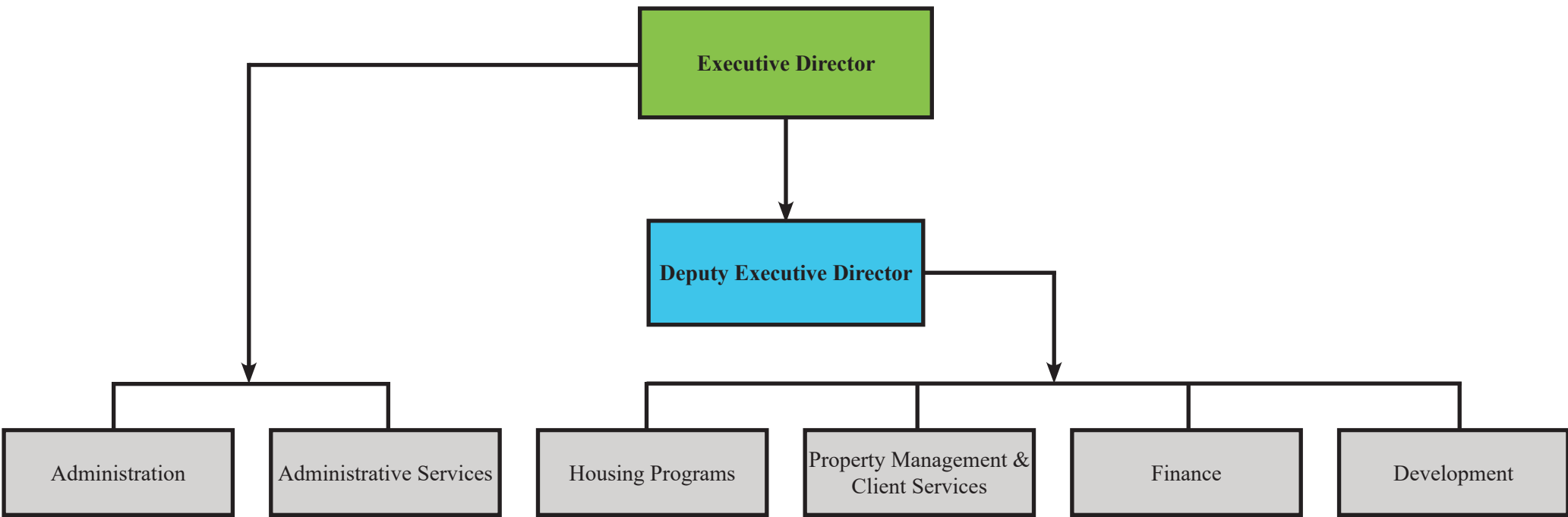
The Federal Housing program group (Page 31) has a projected surplus of \$2,619 as Tierra Alta is utilizing its substantial increase in rental income (following the project's PBV conversion earlier this year) to fund the rehabilitation of the site's wastewater system. Casa Pajaro was sold to New Horizons during the current fiscal year so there will be no budgeted activity for that project at the Housing Authority level.

The agency's proposed budget includes a 2% Cost of Living Adjustment (COLA) for staff effective at the beginning of the fiscal year. The proposed COLA aligns with inflationary trends over the last year in the SF Bay Area based on the Consumer Price Index (CPI) conducted by the U.S. Bureau of Labor Statistics. Adjusting salaries to be in alignment with CPI trends will help minimize major salary adjustments during the next salary comparability study.

Overall, the agency's robust unrestricted revenue sources from business activities combined with \$4.5 million of Section 8 administrative fee reserves are available to provide budgetary relief during this time of uncertainty in future federal funding levels. Our MTW designation also provides financial flexibility to help strategically position the agency.

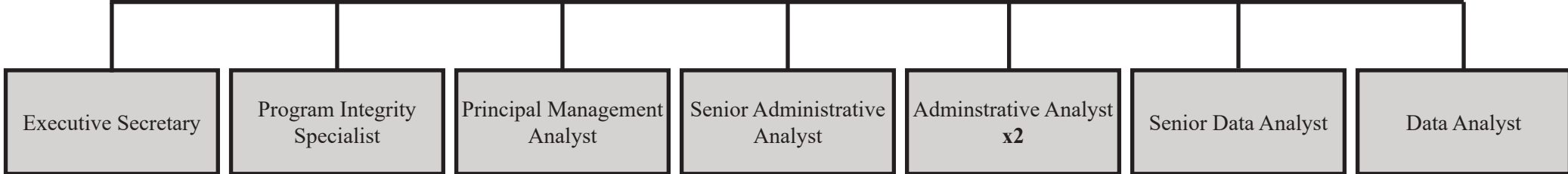
Historical HCV Administrative Fee Prorations from 2003-2026





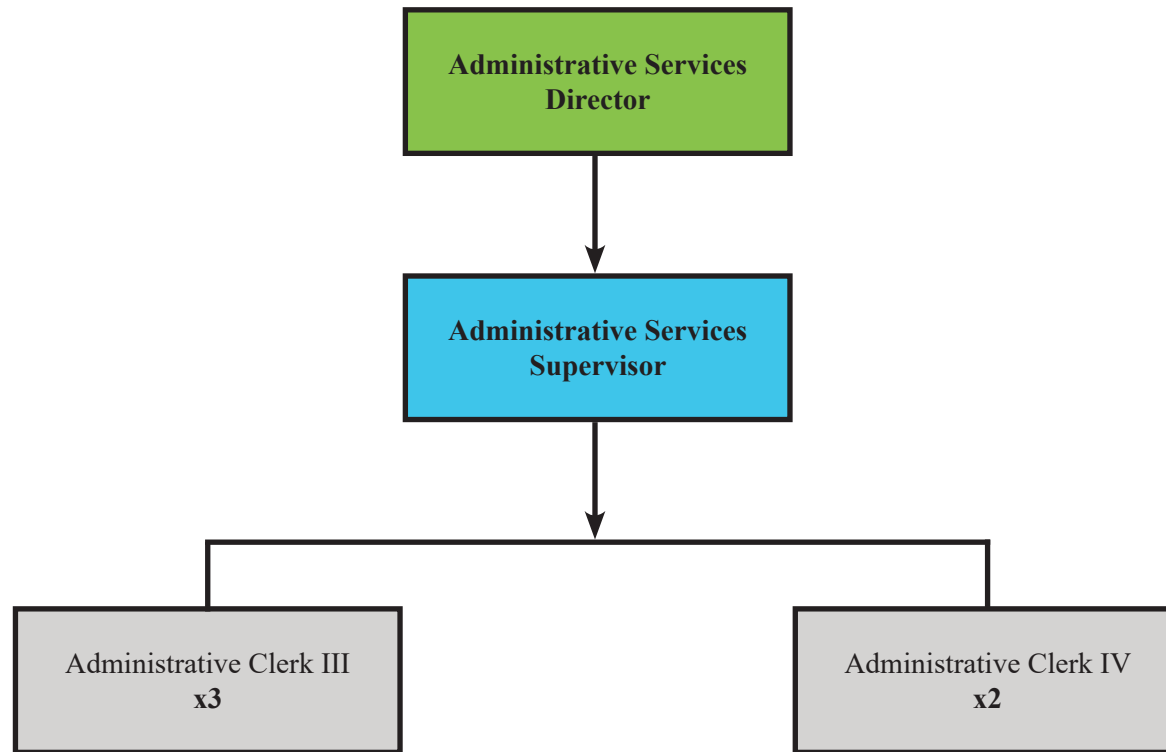


Administration Department



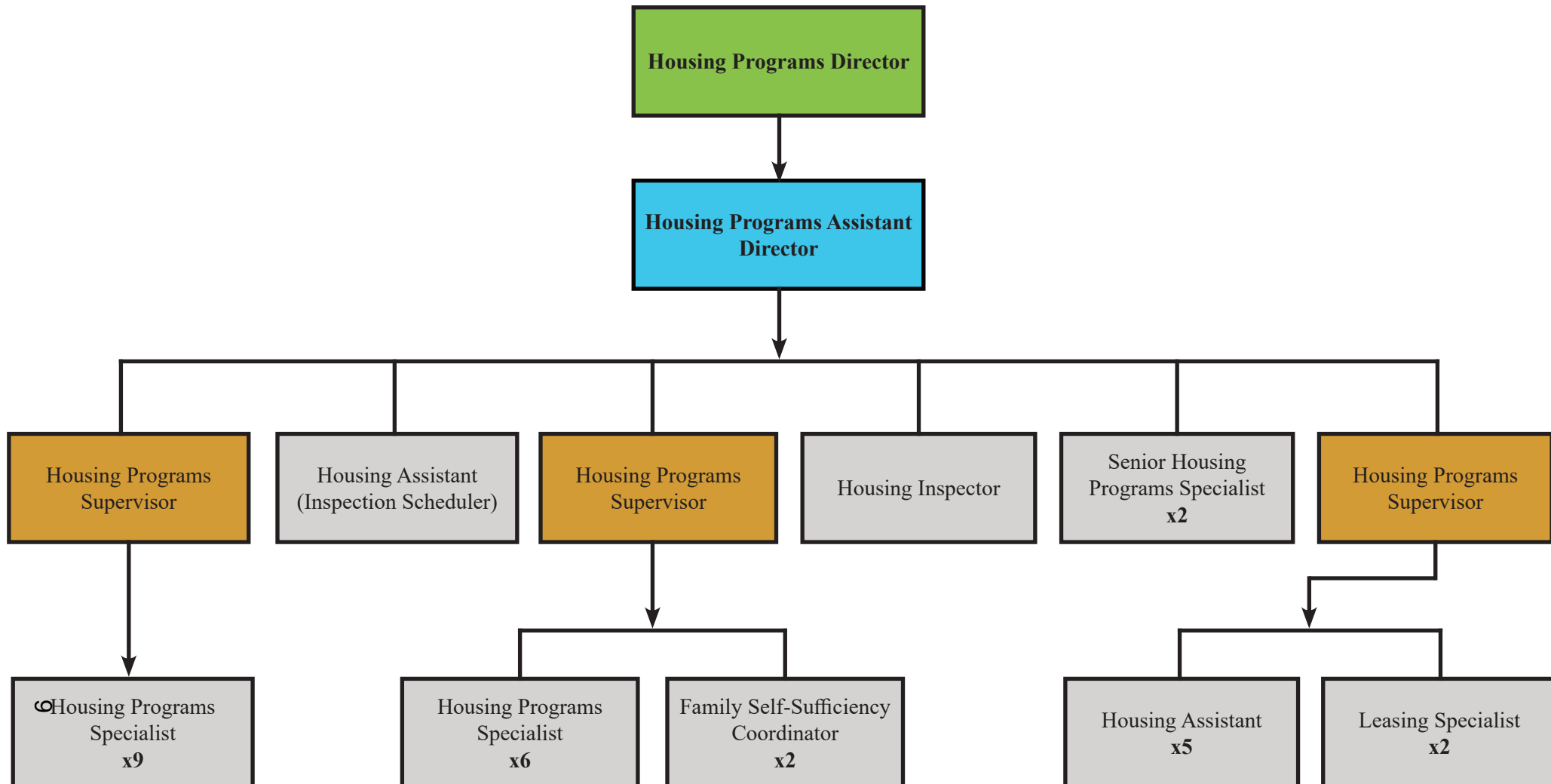


Administrative Services Department



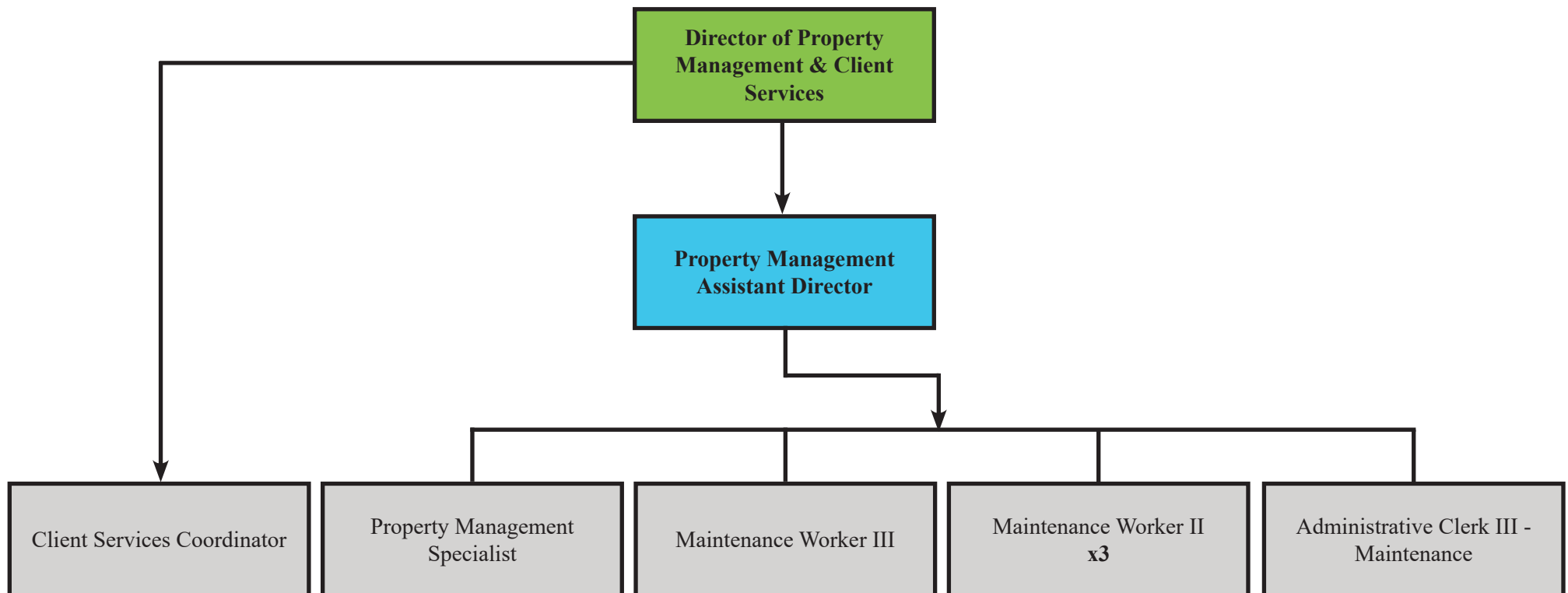


Housing Programs Department



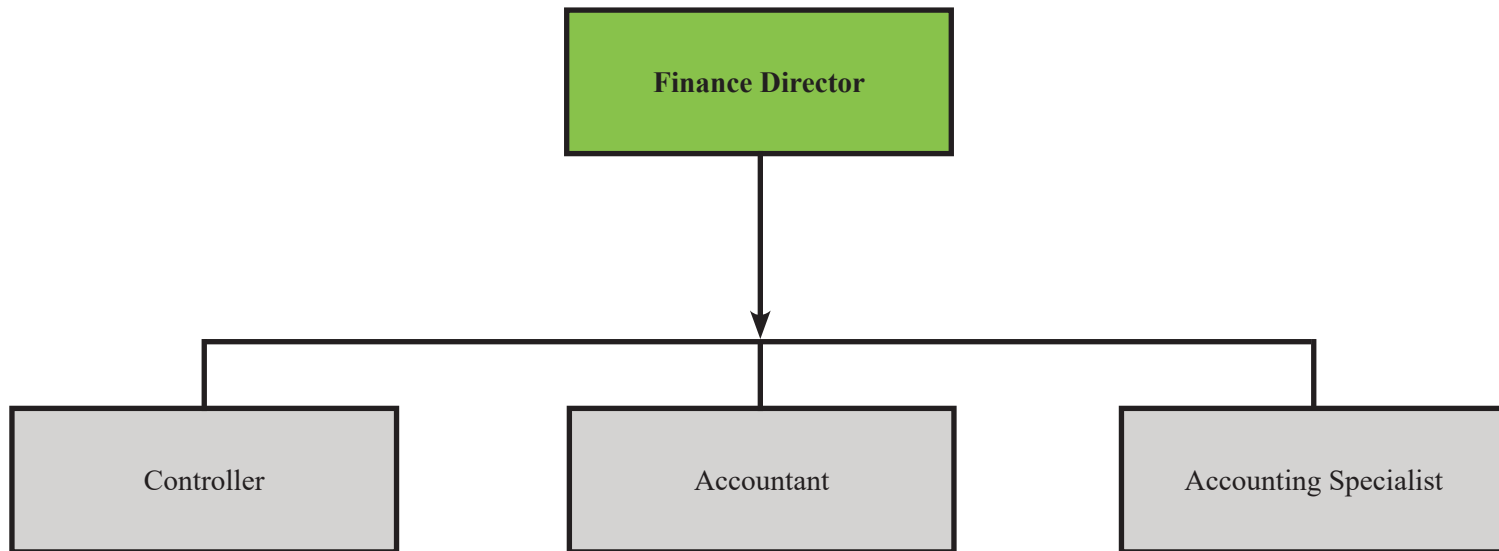


Property Management & Client Services Department





Finance Department



**Position Summary
2025-2026**

Administration	
Executive Director	1
Deputy Executive Director	1
Principal Management Analyst	1
Senior Data Analyst	1
Senior Administrative Analyst	1
Administrative Analyst	2
Data Analyst	1
Program Integrity Specialist	1
Executive Secretary	1

Property Management	
Director Property Management & Client Services	1
Property Management Assistant Director	1
Property Management Specialist	1
Client Services Coordinator	1
Maintenance Worker III	1
Maintenance Worker II	3
Administrative Clerk III - Maintenance	1
Total Positions (FTE)	64.5

Administrative Services	
Administrative Services Director	1
Administrative Services Supervisor	1
Administrative Clerk IV	2
Administrative Clerk III	3

Finance Department	
Finance Director	1.5
Controller	1
Accountant	1
Accounting Specialist	1

Housing Programs Department	
Housing Programs Director	1
Housing Programs Assistant Director	1
Housing Programs Supervisor	3
Senior Housing Program Specialist	2
Leasing Specialist	2
Housing Inspector	1
Housing Programs Specialist	15
FSS Coordinator	2
Housing Assistant	6

Development Department	
Development Director	1

Full Time Equivalents	
Executive Director	1
Deputy Executive Director	1
Department Director	4.5
Development Director	1
Principal Management Analyst	1
Controller	1
Senior Data Analyst	1
Senior Administrative Analyst	1
Property Management Assistant Director	1
Housing Programs Assistant Director	1
Data Analyst	1
Administrative Analyst	2
Administrative Services Supervisor	1
Housing Programs Supervisor	3
Accountant	1
Program Integrity Specialist	1
Executive Secretary	1
Accounting Specialist	1
Senior Housing Program Specialist	2
Property Management Specialist	1
Client Services Coordinator	1
Leasing Specialist	2
Housing Inspector	1
Housing Programs Specialist	15
Family Self-Sufficiency Coordinator	2
Maintenance Worker III	1
Maintenance Worker II	3
Housing Assistant	6
Administrative Clerk IV	2
Administrative Clerk III	3
Administrative Clerk III - Maintenance	1
TOTAL.....	64.5

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
Staffing Comparison By Budget Year

			Change
	2024-25	2025-26	from
<u>Full Time Equivalent</u>	<u>Budget</u>	<u>Budget</u>	<u>Last Yr</u>
Executive Director	1	1	0
Deputy Executive Director	1	1	0
Department Director	4	4.5	0.5
Development Director	0	1	1
Principal Management Analyst	1	1	0
Controller	1	1	0
Senior Data Analyst	1	1	0
Senior Administrative Analyst	1	1	0
Property Management Assistant Dir	1	1	0
Housing Programs Assistant Director	1	1	0
Data Analyst	1	1	0
Administrative Analyst	2	2	0
Administrative Services Supervisor	1	1	0
Housing Programs Supervisor	3	3	0
Accountant	1	1	0
Program Integrity Specialist	1	1	0
Executive Secretary	1	1	0
Accounting Specialist	1	1	0
Senior Housing Program Specialist	2	2	0
Property Management Specialist	1	1	0
Client Services Coordinator	1	1	0
Leasing Specialist	2	2	0
Housing Inspector	1	1	0
Housing Programs Specialist	14	15	1
Family Self-Sufficiency Coordinator	2	2	0
Maintenance Worker III	0	1	1
Maintenance Worker II	3	3	0
Housing Assistant	6	6	0
Administrative Clerk IV	0	2	2
Administrative Clerk III	4	3	-1
Administrative Clerk III - Maint.	1	1	0
Administrative Clerk II	1	0	-1
TOTAL Full Time Equivalent (FTE)	61	64.5	3.5

Salary Range/Step Chart

Effective 7/1/2025

Subject to Approval by the Board of Commissioners

Job Title	Range	Monthly					Hourly				
		Step 1	Step 2	Step 3	Step 4	Step 5	Step 1	Step 2	Step 3	Step 4	Step 5
*	8	3610	3791	3980	4179	4388	20.83	21.87	22.96	24.11	25.32
Resident Caretaker	9	3701	3886	4080	4284	4498	21.35	22.42	23.54	24.71	25.95
Administrative Clerk I	10	3793	3983	4182	4391	4611	21.88	22.98	24.13	25.33	26.60
*	11	3888	4082	4286	4501	4726	22.43	23.55	24.73	25.97	27.26
*	12	3985	4184	4394	4613	4844	22.99	24.14	25.35	26.62	27.95
*	13	4085	4289	4503	4729	4965	23.57	24.74	25.98	27.28	28.64
Administrative Clerk II	14	4187	4396	4616	4847	5089	24.16	25.36	26.63	27.96	29.36
*	15	4292	4506	4731	4968	5216	24.76	26.00	27.30	28.66	30.09
Account Clerk II	16	4399	4619	4850	5092	5347	25.38	26.65	27.98	29.38	30.85
*	17	4509	4734	4971	5220	5480	26.01	27.31	28.68	30.11	31.62
Administrative Clerk III	18	4622	4853	5095	5350	5617	26.66	28.00	29.40	30.87	32.41
Administrative Clerk III - Maintenance											
*	19	4737	4974	5223	5484	5758	27.33	28.70	30.13	31.64	33.22
Maintenance Worker I	20	4855	5098	5353	5621	5902	28.01	29.41	30.88	32.43	34.05
*	21	4977	5226	5487	5761	6049	28.71	30.15	31.66	33.24	34.90
Accounting Technician	22	5101	5356	5624	5905	6201	29.43	30.90	32.45	34.07	35.77
Administrative Clerk IV											
Housing Assistant											
*	23	5229	5490	5765	6053	6356	30.17	31.67	33.26	34.92	36.67
Maintenance Worker II	24	5360	5628	5909	6204	6515	30.92	32.47	34.09	35.79	37.58
Housing Inspector	25	5494	5768	6057	6359	6677	31.69	33.28	34.94	36.69	38.52
Family Self-Sufficiency Coordinator	26	5631	5912	6208	6518	6844	32.49	34.11	35.82	37.61	39.49
Housing Programs Specialist											
*	27	5772	6060	6363	6681	7015	33.30	34.96	36.71	38.55	40.47
Client Services Coordinator	28	5916	6212	6522	6848	7191	34.13	35.84	37.63	39.51	41.49
Leasing Specialist											
Maintenance Worker III											
Property Management Specialist											
*	29	6064	6367	6685	7020	7371	34.98	36.73	38.57	40.50	42.52
Accounting Specialist	30	6215	6526	6853	7195	7555	35.86	37.65	39.53	41.51	43.59
Housing Programs Senior Specialist											
Maintenance Coordinator	31	6371	6689	7024	7375	7744	36.75	38.59	40.52	42.55	44.68
Executive Secretary	32	6530	6857	7199	7559	7937	37.67	39.56	41.54	43.61	45.79
Program Integrity Specialist											
*	33	6693	7028	7379	7748	8136	38.62	40.55	42.57	44.70	46.94
Accountant	34	6861	7204	7564	7942	8339	39.58	41.56	43.64	45.82	48.11
*	35	7032	7384	7753	8141	8548	40.57	42.60	44.73	46.97	49.31
*	36	7208	7568	7947	8344	8761	41.58	43.66	45.85	48.14	50.55
*	37	7388	7758	8146	8553	8980	42.62	44.76	46.99	49.34	51.81
Senior Accountant	38	7573	7952	8349	8767	9205	43.69	45.87	48.17	50.58	53.11
Administrative Services Supervisor	39	7762	8150	8558	8986	9435	44.78	47.02	49.37	51.84	54.43
Housing Programs Supervisor											
Property Management Supervisor											
Administrative Analyst	40	7956	8354	8772	9210	9671	45.90	48.20	50.61	53.14	55.79
*	41	8155	8563	8991	9441	9913	47.05	49.40	51.87	54.47	57.19
*	42	8359	8777	9216	9677	10161	48.23	50.64	53.17	55.83	58.62

Data Analyst	43	8568	8996	9446	9919	10415	49.43	51.90	54.50	57.22	60.08
Facilities Manager											
Senior Administrative Analyst	44	8782	9221	9682	10167	10675	50.67	53.20	55.86	58.65	61.59
*	45	9002	9452	9925	10421	10942	51.93	54.53	57.26	60.12	63.13
*	46	9227	9688	10173	10681	11215	53.23	55.89	58.69	61.62	64.70
Administrative Services Assistant Director	47	9458	9930	10427	10948	11496	54.56	57.29	60.16	63.16	66.32
Housing Programs Assistant Director											
Human Resources Director											
Property Management Assistant Director											
Senior Data Analyst											
*	48	9694	10179	10688	11222	11783	55.93	58.72	61.66	64.74	67.98
Information Technology Coordinator	49	9936	10433	10955	11503	12078	57.32	60.19	63.20	66.36	69.68
Controller	50	10185	10694	11229	11790	12380	58.76	61.70	64.78	68.02	71.42
Principal Management Analyst											
*	51	10439	10961	11509	12085	12689	60.23	63.24	66.40	69.72	73.21
*	52	10700	11235	11797	12387	13006	61.73	64.82	68.06	71.46	75.04
*	53	10968	11516	12092	12697	13331	63.28	66.44	69.76	73.25	76.91
Assistant Finance Director	54	11242	11804	12394	13014	13665	64.86	68.10	71.51	75.08	78.84
*	55	11523	12099	12704	13339	14006	66.48	69.80	73.29	76.96	80.81
*	56	11811	12402	13022	13673	14357	68.14	71.55	75.13	78.88	82.83
Administrative Services Director	57	12106	12712	13347	14015	14715	69.84	73.34	77.00	80.85	84.90
Housing Programs Director											
Property Management & Client Services Director											
*	58	12409	13030	13681	14365	15083	71.59	75.17	78.93	82.88	87.02
Development Director	59	12719	13355	14023	14724	15460	73.38	77.05	80.90	84.95	89.19
Finance Director	60	13037	13689	14374	15092	15847	75.22	78.98	82.92	87.07	91.42
*	61	13363	14031	14733	15470	16243	77.10	80.95	85.00	89.25	93.71
*	62	13697	14382	15101	15856	16649	79.02	82.97	87.12	91.48	96.05
*	63	14040	14742	15479	16253	17065	81.00	85.05	89.30	93.77	98.45
Director of Operations	64	14391	15110	15866	16659	17492	83.02	87.17	91.53	96.11	100.92
*	65	14751	15488	16262	17076	17929	85.10	89.35	93.82	98.51	103.44
*	66	15119	15875	16669	17502	18378	87.23	91.59	96.17	100.98	106.02
*	67	15497	16272	17086	17940	18837	89.41	93.88	98.57	103.50	108.68
*	68	15885	16679	17513	18389	19308	91.64	96.22	101.04	106.09	111.39
*	69	16282	17096	17951	18848	19791	93.93	98.63	103.56	108.74	114.18
Deputy Executive Director	70	16689	17523	18399	19319	20285	96.28	101.10	106.15	111.46	117.03
*	71	17106	17961	18859	19802	20793	98.69	103.62	108.80	114.24	119.96
*	72	17534	18410	19331	20297	21312	101.16	106.21	111.52	117.10	122.96
*	73	17972	18871	19814	20805	21845	103.69	108.87	114.31	120.03	126.03
*	74	18421	19342	20310	21325	22391	106.28	111.59	117.17	123.03	129.18
*	75	18882	19826	20817	21858	22951	108.93	114.38	120.10	126.10	132.41
*	76	19354	20322	21338	22405	23525	111.66	117.24	123.10	129.26	135.72
*	77	19838	20830	21871	22965	24113	114.45	120.17	126.18	132.49	139.11
Executive Director	78	20334	21350	22418	23539	24716	117.31	123.18	129.33	135.80	142.59

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

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

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

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

5 YEAR CAPITAL PLAN

Capital Expenditures:	2025-26	2026-27	2027-28	2028-29	2029-30	Total
2160 41st Ave Wood Repair	3,500		3,500		3,500	10,500
2160 41st Ave HVAC replacements	15,000	15,000	15,000	15,000	1,500	61,500
2160 41st Ave Paving/Slurry		10,000			10,000	20,000
2160 41st Ave Landscaping	3,500	3,500	3,500	3,500	3,500	17,500
2160 41st Ave Total	22,000	28,500	22,000	18,500	18,500	109,500
2170 41st Ave Paving/Slurry		6,000			6,000	12,000
2170 41st Ave Total	0	6,000	0	0	6,000	12,000
Tierra Alta Unit Turnover Costs	12,500	65,000	65,000	65,000	65,000	272,500
Tierra Alta Flooring	30,000	30,000	30,000	30,000	30,000	150,000
Tierra Alta Appliances/Water Heaters	4,400	4,400	4,400	4,400	4,400	22,000
Tierra Alta Heater	11,000	11,000	11,000	11,000	11,000	55,000
Tierra Alta Drainage Improvements	15,000					15,000
Tierra Alta Wood Repair	10,000	3,500		3,500		17,000
Tierra Alta Fence Repair/Replacement	10,000	3,500		3,500		17,000
Tierra Alta Wastewater System Rehabilitation	825,000					825,000
Tierra Alta Exterior Painting	80,000					80,000
Tierra Alta LED Lighting and Energy Efficiency	2,000					2,000
Tierra Alta Playground Installation	25,000					25,000
Tierra Alta Landscaping	5,000	5,000	5,000	5,000	5,000	25,000
Tierra Alta Total	1,029,900	122,400	115,400	122,400	115,400	1,505,500
TOTAL	1,051,900	156,900	137,400	140,900	139,900	1,627,000

Operating Transfers In and Out
Fiscal Year Ending June 30, 2025

Program	Transfer Description	In	Out
Moving-To-Work (MTW) Funds	From Section 8 MTW Program Funds for Development Activity	3,000,000	
Moving-To-Work (MTW) Funds	To New Horizons for Gap Financing of Development Activity		3,000,000
FSS Forfeiture Funds	From Family Self-Sufficiency (FSS) Forfeiture Reserves to Fund Program Activities that Benefit FSS Participants	40,000	
Agency Unrestricted Reserve Fund	To Transfer Excess Interest Income to Agency Reserves		700,000
		<u>3,040,000</u>	<u>3,700,000</u>

Reserve Balances

As of 6/30/24

Section 8:	Unrestricted	Restricted**	Total
Moving-To-Work (MTW) Reseves	3,000,000***		-
Santa Cruz Vouchers *	4,539,748	(41,448)	4,498,300
Mainstream Vouchers *	977,824	(10,095)	967,729
Emergency Housing Vouchers*	505,207	(108,502)	396,705
Mod Rehab *	812,126	-	812,126
Mod Rehab SRO *	147,152	-	147,152
Federal Housing:			
Low Rent Public Housing *	7,436,331	-	7,436,331
Casa Pajaro USDA *	914,608	-	914,608
Tierra Alta USDA *	(96,237)	-	(96,237)
Local Programs:			
County of Santa Cruz	60,818	-	60,818
City of Santa Cruz	15,307	-	15,307
City of Watsonville	3,225	-	3,225
City of Capitola	101,472	-	101,472
City of Scotts Valley	92,313	-	92,313
Misc Local Contracts	9,876	-	9,876
Business Activities:			
Mission Street Building	2,365,764	-	2,365,764
2160/2170 41st Avenue Offices	1,997,159	-	1,997,159
Housing Authority Reserves	21,845,853	-	21,845,853
New Horizons Admin Funds	(45,861)		
Merrill Road Admin Fund	68,200	-	68,200
Spruce Street Condo	177,594	-	177,594
CalPERS Pension Fund	(7,235,525)		(7,235,525)
Other Post Retirement Benefits Fund	(150,342)		(150,342)
Total Reserves	37,542,610	(160,045)	34,428,425

* Unrestricted except by Fund

** Restrictions placed by outside entities

*** MTW reserves are based on projections for CY 2025

Agency Debts and Receivables

Lender and Project:	Purpose	Total Owed	Due FY 2025-26
Compensated Absences	Accumulated Leave per Personnel Policy	666,813	65,725
Total Outstanding		666,813	65,725

Due to Housing Authority:	Purpose	Total Due	Due FY 2025-26
2nd Deeds of Trust Arroyo Verde	To Finance Purchase	15,000	-
3rd Deeds of Trust Arroyo Verde	To Finance Purchase	4,504	-
Merrill Road Land Loan Merrill Road - 15 Apartments	To Finance Acquisition of Land	391,258	-
Merrill Road Permanent Loan Merrill Road - 15 Apartments	To Finance Construction	451,509	-
New Horizons Entity Formation Loan	Government Loan Ensures Property Tax Exemption	200,000	-
New Horizons Natural Bridges Loan	To Finance Construction	8,046,600	
New Horizons Casa Pajaro Loan	To Finance Purchase	21,200,000	
Total Due to Housing Authority		30,308,871	-

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Budgets By Program Group

	Section 8	Federal Housing	Federal Grants	Local Programs	Business Activities	2025-26 Agency-Wide Budget
Revenues:						
HAPS / Program	160,033,046	-	1,155,715	-	-	161,188,761
Administrative Fees	9,580,137	-	-	-	2,447,338	12,027,475
Grants / Contracts	-	-	275,761	679,667	-	955,428
Rental Income	-	1,468,678	-	-	1,164,414	2,633,092
Operating Transfers In	3,040,000	-	-	-	-	3,040,000
Other Income	169,691	15,500	-	15,750	773,498	974,439
Total Revenues:	172,822,874	1,484,178	1,431,476	695,417	4,385,250	180,819,195
Expenses:						
Housing Assistance Pmts	160,033,046	-	1,155,715	-	-	161,188,761
Salaries	4,861,602	112,393	173,623	76,562	1,481,486	6,705,666
Employee Benefits	2,635,846	37,279	57,040	23,372	466,927	3,220,464
Capital Purchases	-	1,029,900	-	-	22,000	1,051,900
Maintenance	-	234,900	-	-	180,553	415,453
General Administrative	2,017,186	67,087	1,598	25,567	836,085	2,947,522
Tenant Services	85,000	-	43,500	568,667	-	697,167
Operating Transfers Out	3,000,000	-	-	-	700,000	3,700,000
Debt Service	-	-	-	-	-	-
Total Expenses:	172,632,680	1,481,559	1,431,476	694,168	3,687,051	179,926,933
Surplus (Deficit):	190,194	2,619	-	1,249	698,199	892,262

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Agency-Wide Budget

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	148,618,378	148,357,496	161,188,761	12,831,265
Administrative Fees	11,460,548	10,393,926	12,027,475	1,633,549
Grants / Contracts	899,526	1,021,188	955,428	(65,760)
Rental Income	2,030,469	2,147,370	2,633,092	485,721
Operating Transfers In	49,836,331	8,773,022	3,040,000	(5,733,022)
Other Income	786,133	160,954	974,439	813,485
Total Revenues:	213,631,384	170,853,957	180,819,195	9,965,238
Expenses:				
Housing Assistance Pmts	148,618,378	148,357,496	161,188,761	12,831,265
Salaries	6,074,552	6,082,590	6,705,666	623,076
Employee Benefits	2,559,997	2,837,174	3,220,464	383,290
Capital Purchases	303,321	1,252,035	1,051,900	(200,135)
Maintenance	463,322	612,058	415,453	(196,604)
General Administrative	2,834,748	2,723,186	2,947,522	224,337
Tenant Services	855,828	794,037	697,167	(96,870)
Operating Transfers Out	50,292,965	7,376,812	3,700,000	(3,676,812)
Debt Service	-	-	-	-
Total Expenses:	212,003,110	170,035,388	179,926,933	9,891,546
Surplus (Deficit):	1,628,274	818,569	892,262	73,692

Section 8 Programs

Santa Cruz Vouchers

This fund accounts for revenues and expenses associated with administering the tenant based Section 8 Housing Choice Voucher Program for the County of Santa Cruz and the City of Hollister, including VASH & EHV vouchers.

Disabled Vouchers (Mainstream and NED)

This fund accounts for revenues and expenses associated with administering the tenant based Section 8 Housing Choice Voucher Program for Disabled in the County of Santa Cruz.

Moderate Rehabilitation

This fund accounts for revenues and expenses associated with administering the project based Section 8 Mod Rehab Program for the County of Santa Cruz. Some of these vouchers are transitioning to Housing Choice Vouchers as the original 15 year contracts are expiring. There are only 13 of 309 units remaining.

Moderate Rehabilitation SRO

This fund accounts for revenues and expenses associated with administering the project based Section 8 Mod Rehab SRO Program.

Emergency Housing Vouchers (EHV)

This fund accounts for revenues and expenses associated with administering the Emergency Housing Voucher Program.

Family Self-Sufficiency (FSS) Forfeitures

This fund accounts for the forfeitures of FSS participants. HUD allows the forfeiture proceeds to be used for eligible activities which benefit the remaining FSS program participants.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Section 8 Program Group

Includes Mod Rehab, Mainstream, EHV, and Santa Cruz Voucher Programs

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	147,512,155	147,179,482	160,033,046	12,853,564
Administrative Fees	9,467,974	9,090,513	9,580,137	489,623
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	21,200,000	297,210	3,040,000	2,742,790
Other Income	185,079	37,821	169,691	131,870
Total Revenues:	178,365,208	156,605,027	172,822,874	16,217,848
Expenses:				
Housing Assistance Pmts	147,512,155	147,179,482	160,033,046	12,853,564
Salaries	4,412,080	4,823,279	4,861,602	38,323
Employee Benefits	2,101,851	2,433,492	2,635,846	202,354
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	1,998,339	1,921,049	2,017,186	96,137
Tenant Services	184,000	42,000	85,000	43,000
Operating Transfers Out	21,200,000	-	3,000,000	3,000,000
Debt Service	-	-	-	-
Total Expenses:	177,408,424	156,399,302	172,632,680	16,233,379
Surplus (Deficit):	956,783	205,725	190,194	(15,531)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Santa Cruz Voucher Program

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	136,107,575	135,347,242	149,589,746	14,242,504
Administrative Fees	8,644,159	8,202,878	8,857,542	654,664
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	21,200,000	283,463	3,000,000	2,716,537
Other Income	99,783	20,000	105,000	85,000
Total Revenues:	166,051,517	143,853,583	161,552,288	17,698,705
Expenses:				
Housing Assistance Pmts	136,107,575	135,347,242	149,589,746	14,242,504
Salaries	4,115,965	4,500,155	4,549,066	48,911
Employee Benefits	1,963,011	2,270,893	2,466,437	195,544
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	1,874,336	1,802,243	1,896,991	94,748
Tenant Services	176,000	-	-	-
Operating Transfers Out	21,200,000	-	3,000,000	3,000,000
Debt Service	-	-	-	-
Total Expenses:	165,436,886	143,920,533	161,502,240	17,581,707
Surplus (Deficit):	614,630	(66,950)	50,048	116,998

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Mainstream Disabled Vouchers

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	4,247,000	4,305,000	5,732,162	1,427,162
Administrative Fees	302,081	330,403	384,287	53,884
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	-	5,361	-	(5,361)
Other Income	19,262	8,000	13,125	5,125
Total Revenues:	4,568,343	4,648,764	6,129,574	1,480,810
Expenses:				
Housing Assistance Pmts	4,247,000	4,305,000	5,732,162	1,427,162
Salaries	116,781	126,001	127,699	1,698
Employee Benefits	54,813	63,405	69,218	5,813
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	48,354	46,761	47,162	401
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	4,466,948	4,541,167	5,976,241	1,435,074
Surplus (Deficit):	101,395	107,596	153,333	45,737

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Moderate Rehabilitation

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	166,522	173,040	189,744	16,704
Administrative Fees	24,709	24,532	25,699	1,167
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	-	243	-	(243)
Other Income	15,052	8,039	10,036	1,997
Total Revenues:	206,283	205,853	225,479	19,625
Expenses:				
Housing Assistance Pmts	166,522	173,040	189,744	16,704
Salaries	4,479	5,707	5,628	(79)
Employee Benefits	2,051	2,872	3,051	179
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	1,972	2,246	2,071	(176)
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	175,024	183,865	200,494	16,628
Surplus (Deficit):	31,259	21,988	24,985	2,997

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Moderate Rehabilitation SRO

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	102,058	99,000	110,472	11,472
Administrative Fees	20,908	20,758	21,745	987
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	-	205	-	(205)
Other Income	2,911	1,533	1,530	(2)
Total Revenues:	125,877	121,495	133,747	12,252
Expenses:				
Housing Assistance Pmts	102,058	99,000	110,472	11,472
Salaries	3,925	4,830	4,761	(69)
Employee Benefits	1,796	2,430	2,581	151
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	1,674	1,754	1,669	(85)
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	109,453	108,014	119,483	11,469
Surplus (Deficit):	16,423	13,481	14,264	783

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Emergency Housing Voucher Program

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	6,889,000	7,255,200	4,410,922	(2,844,278)
Administrative Fees	476,118	511,943	290,864	(221,079)
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	-	7,938	-	(7,938)
Other Income	10,606	250	5,000	4,750
Total Revenues:	7,375,724	7,775,331	4,706,786	(3,068,545)
Expenses:				
Housing Assistance Pmts	6,889,000	7,255,200	4,410,922	(2,844,278)
Salaries	170,930	186,586	174,448	(12,138)
Employee Benefits	80,181	93,892	94,559	667
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	72,003	68,043	69,293	1,250
Tenant Services	8,000	42,000	10,000	(32,000)
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	7,220,113	7,645,721	4,759,222	(2,886,499)
Surplus (Deficit):	155,611	129,610	(52,436)	(182,046)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Family Self Sufficiency (FSS) Forfeitures

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	-	-	40,000	40,000
Other Income	37,464	-	35,000	35,000
Total Revenues:	37,464	-	75,000	75,000
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	-	-	-	-
Tenant Services	-	-	75,000	75,000
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	-	-	75,000	75,000
Surplus (Deficit):	37,464	-	-	-

Federal Housing Programs

Low Income Public Housing (LIPH)

This fund accounts for the rental revenues and expenses associated with the Housing Authority owned public housing units and the supplemental income provided by HUD. Effective January, 1, 2021, this program transferred property ownership of the 234 LIPH units to New Horizons (a non-profit affiliated entity) and the residents were issued Tenant Protection Vouchers. HUD refers to this process as a Streamlined Voluntary Conversion. Following conversion, there will be a close-out of all remaining LIPH activities and finances once all remaining reserve funds are expended.

Casa Pajaro

This fund accounts for the rental revenues and expenses associated with the farmworker housing project on East Front Street in Watsonville.

Tierra Alta

This fund accounts for the rental revenues and expenses associated with the farmworker housing project on Tierra Alta Drive in Watsonville.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Federal Housing Program Group

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

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	-	-	-	-
Rental Income	945,078	1,021,829	1,468,678	446,849
Operating Transfers In	7,436,331	8,475,812	-	(8,475,812)
Other Income	33,926	61,000	15,500	(45,500)
Total Revenues:	8,415,335	9,558,641	1,484,178	(8,074,463)
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	192,293	267,632	112,393	(155,239)
Employee Benefits	49,861	95,855	37,279	(58,576)
Capital Purchases	274,268	1,222,535	1,029,900	(192,635)
Maintenance	309,831	414,288	234,900	(179,388)
General Administrative	118,238	175,472	67,087	(108,385)
Tenant Services	-	-	-	-
Operating Transfers Out	7,436,331	7,376,812	-	(7,376,812)
Debt Service	-	-	-	-
Total Expenses:	8,380,822	9,552,594	1,481,559	(8,071,035)
Surplus (Deficit):	34,513	6,047	2,619	(3,428)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Low Income Public Housing (LIPH) Program

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	7,436,331	7,316,812	-	(7,316,812)
Other Income	-	-	-	-
Total Revenues:	7,436,331	7,316,812	-	(7,316,812)
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	-	-	-	-
Tenant Services	-	-	-	-
Operating Transfers Out	7,436,331	7,316,812	-	(7,316,812)
Debt Service	-	-	-	-
Total Expenses:	7,436,331	7,316,812	-	(7,316,812)
Surplus (Deficit):	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Casa Pajaro (Formerly USDA)

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	-	-	-	-
Rental Income	145,780	297,157	-	(297,157)
Operating Transfers In	-	209,000	-	(209,000)
Other Income	18,343	43,000	-	(43,000)
Total Revenues:	164,123	549,157	-	(549,157)
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	62,903	129,993	-	(129,993)
Employee Benefits	5,936	46,559	-	(46,559)
Capital Purchases	-	66,910	-	(66,910)
Maintenance	58,192	142,300	-	(142,300)
General Administrative	47,458	98,346	-	(98,346)
Tenant Services	-	-	-	-
Operating Transfers Out	-	60,000	-	(60,000)
Debt Service	-	-	-	-
Total Expenses:	174,489	544,108	-	(544,108)
Surplus (Deficit):	(10,366)	5,049	-	(5,049)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Tierra Alta Apartments (Formerly USDA)

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	-	-	-	-
Rental Income	799,298	724,672	1,468,678	744,006
Operating Transfers In	-	950,000	-	(950,000)
Other Income	15,583	18,000	15,500	(2,500)
Total Revenues:	814,881	1,692,672	1,484,178	(208,494)
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	129,389	137,639	112,393	(25,246)
Employee Benefits	43,925	49,296	37,279	(12,017)
Capital Purchases	274,268	1,155,625	1,029,900	(125,725)
Maintenance	251,640	271,988	234,900	(37,088)
General Administrative	70,780	77,126	67,087	(10,039)
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	770,002	1,691,674	1,481,559	(210,115)
Surplus (Deficit):	44,879	998	2,619	1,621

Federal Grants

HUD FSS Coordinator Grant

This fund accounts for the expenses and funding associated with outreach and service to eligible families in the Section 8 Program for Family Self Sufficiency.

Shelter Plus Care COC Grant

This fund accounts for the revenues and expenses associated with providing housing and supportive services to groups with specific needs.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget Fiscal Year 2025-2026

Federal Grant Programs Group

Includes Family Self-Sufficiency Program and Shelter Plus Care

	2024-25 Projected Actuals	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:			
HAPS / Program	1,106,223	1,155,715	49,492
Administrative Fees	-	-	-
Grants / Contracts	235,376	275,761	40,385
Rental Income	-	-	-
Operating Transfers In	-	-	-
Other Income	-	-	-
Total Revenues:	1,341,599	1,431,476	89,877
Expenses:			
Housing Assistance Pmts	1,106,223	1,155,715	49,492
Salaries	151,659	173,623	21,964
Employee Benefits	40,765	57,040	16,275
Capital Purchases	-	-	-
Maintenance	-	-	-
General Administrative	1,452	1,598	146
Tenant Services	41,500	43,500	2,000
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses:	1,341,599	1,431,476	89,877
Surplus (Deficit):	0	-	(0)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Family Self Sufficiency (FSS) Coordinator Grant

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	192,621	195,940	228,027	32,087
Rental Income	-	-	-	-
Operating Transfers In	-	-	-	-
Other Income	-	-	-	-
Total Revenues:	192,621	195,940	228,027	32,087
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	151,159	146,643	171,009	24,366
Employee Benefits	40,665	48,334	56,259	7,925
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	797	963	759	(204)
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	192,621	195,940	228,027	32,087
Surplus (Deficit):	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Shelter Plus Care Grant

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	1,106,223	1,178,014	1,155,715	(22,299)
Administrative Fees	-	-	-	-
Grants / Contracts	42,755	25,708	47,734	22,026
Rental Income	-	-	-	-
Operating Transfers In	-	-	-	-
Other Income	-	-	-	-
Total Revenues:	1,148,978	1,203,722	1,203,449	(273)
Expenses:				
Housing Assistance Pmts	1,106,223	1,178,014	1,155,715	(22,299)
Salaries	500	2,553	2,614	61
Employee Benefits	100	755	781	26
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	655	903	839	(64)
Tenant Services	41,500	21,497	43,500	22,003
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	1,148,978	1,203,722	1,203,449	(273)
Surplus (Deficit):	0	0	-	(0)

Local Programs

County of Santa Cruz

This fund accounts for revenues and expenses associated with technical assistance contracts for the administration of affordable housing programs in the County of Santa Cruz, including the security deposit program and the landlord incentive program.

City of Santa Cruz

This fund accounts for revenues and expenses associated with technical assistance contracts for the administration of affordable housing programs in the City of Santa Cruz, including security deposits, Measure O, and the landlord incentive program.

City of Watsonville

This fund accounts for revenues and expenses associated with the administration of affordable housing programs in the City of Watsonville, including the security deposit and landlord incentive programs.

City of Capitola

This fund accounts for revenues and expenses associated with technical assistance contracts for the administration of affordable housing programs in the City of Capitola, including security deposit program and landlord incentive program.

City of Scotts Valley

This fund accounts for revenues and expenses associated with technical assistance contracts for the administration of affordable housing programs in the City of Scotts Valley, including monitoring of inclusionary unit compliance and the landlord incentive program.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Local Programs Group

Includes Local Programs Funded by the County of Santa Cruz and the Cities of Santa Cruz, Watsonville, Capitola, and Scotts Valley

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	664,150	799,540	679,667	(119,873)
Rental Income	-	-	-	-
Operating Transfers In	-	-	-	-
Other Income	12,655	15,750	15,750	-
Total Revenues:	676,805	815,290	695,417	(119,873)
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	57,308	51,068	76,562	25,494
Employee Benefits	17,722	14,526	23,372	8,846
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	18,430	17,349	25,567	8,218
Tenant Services	630,328	730,540	568,667	(161,873)
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	723,787	813,483	694,168	(119,315)
Surplus (Deficit):	(46,982)	1,807	1,249	(558)

Business Activities

Mission Street Warehouse Building

This fund accounts for the rental revenues and expenses associated with the Housing Authority owned building on Mission Street.

Natural Bridges Development

This fund accounts for the pre-development and development costs associated with the 20 unit site before the sale to New Horizons.

Housing Authority 2160 41st Avenue Office

This fund accounts for the rental revenues charged to Authority programs and the expenses associated with the space owned at 2160 41st Avenue in Capitola.

Housing Authority 2170 41st Avenue Office (Annex)

This fund accounts for the rental revenues charged to Authority programs and the expenses associated with the leased office space at 2170 41st Avenue in Capitola.

Housing Authority 2140 41st Avenue Office (Additional Annex)

This fund accounts for the rental revenues charged to Authority programs and the expenses associated with the leased office space at 2140 41st Avenue in Capitola.

Agency Unrestricted Reserve Fund (Non-Program Specific)

This fund accounts for the Housing Authority's accumulated unrestricted reserves and the corresponding interest income as well as expenses that are not related to specific funds or projects.

New Horizons LIPH Administration Fund

This fund accounts for the administrative/management fee received from New Horizons for the management of duties performed by Housing Authority staff on behalf of New Horizons for the former LIPH units. Charged to this fund are the personnel costs and overhead associated with the performance of these duties.

New Horizons Brommer Administration Fund

This fund accounts for the administrative/management fee received from New Horizons for the management of duties performed by Housing Authority staff on behalf of New Horizons for the Brommer units. Charged to this fund are the personnel costs and overhead associated with the performance of these duties.

New Horizons Brommer Administration Fund

This fund accounts for the administrative/management fee received from New Horizons for the management of duties performed by Housing Authority staff on behalf of New Horizons for the units at 415 Natural Bridges Drive. Charged to this fund are the personnel costs and overhead associated with the performance of these duties.

Merrill Road Administration

This fund accounts for the administrative fee paid to the Housing Authority by the Merrill Road Associates, and the accompanying overhead costs that are associated with this program.

Spruce Street

This fund accounts for the rental revenues and expenses associated with the Housing Authority owned condominium on Spruce Street in Santa Cruz.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Business Activities Group

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

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	1,992,574	1,303,413	2,447,338	1,143,926
Grants / Contracts	-	-	-	-
Rental Income	1,085,391	1,125,541	1,164,414	38,872
Operating Transfers In	21,200,000	-	-	-
Other Income	554,473	46,383	773,498	727,115
Total Revenues:	24,832,438	2,475,337	4,385,250	1,909,913
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	1,261,213	791,415	1,481,486	690,071
Employee Benefits	349,797	244,212	466,927	222,715
Capital Purchases	29,053	29,500	22,000	(7,500)
Maintenance	153,491	197,770	180,553	(17,217)
General Administrative	698,289	607,451	836,085	228,634
Tenant Services	-	-	-	-
Operating Transfers Out	21,656,634	-	700,000	700,000
Debt Service	-	-	-	-
Total Expenses:	24,148,478	1,870,347	3,687,051	1,816,703
Surplus (Deficit):	683,960	604,990	698,199	93,210

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Mission Street Warehouse Building

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	-	-	-	-
Rental Income	424,728	424,728	457,090	32,362
Operating Transfers In	-	-	-	-
Other Income	8,000	10,000	6,000	(4,000)
Total Revenues:	432,728	434,728	463,090	28,362
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Capital Purchases	-	-	-	-
Maintenance	800	800	870	70
General Administrative	14,473	13,286	15,545	2,259
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	15,273	14,086	16,415	2,329
Surplus (Deficit):	417,455	420,642	446,675	26,033

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

2160 41st Ave Office

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	-	-	-	-
Rental Income	344,161	364,104	371,279	7,175
Operating Transfers In	-	-	-	-
Other Income	42,333	20,000	32,500	12,500
Total Revenues:	386,494	384,104	403,779	19,675
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Capital Purchases	7,000	25,000	22,000	(3,000)
Maintenance	96,980	110,800	114,359	3,559
General Administrative	15,619	21,741	18,741	(3,000)
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	119,598	157,541	155,100	(2,441)
Surplus (Deficit):	266,896	226,563	248,679	22,116

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

2170 41st Ave Office Annex

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	-	-	-	-
Rental Income	219,343	228,512	232,746	4,234
Operating Transfers In	-	-	-	-
Other Income	-	-	-	-
Total Revenues:	219,343	228,512	232,746	4,234
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Capital Purchases	7,765	4,500	-	(4,500)
Maintenance	42,138	53,550	49,920	(3,630)
General Administrative	177,205	174,962	182,826	7,864
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	227,108	233,012	232,746	(266)
Surplus (Deficit):	(7,765)	(4,500)	-	4,500

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

2140 41st Ave Office Annex

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	-	-	-	-
Rental Income	66,495	84,689	70,250	(14,439)
Operating Transfers In	-	-	-	-
Other Income	514	-	250	250
Total Revenues:	67,009	84,689	70,500	(14,189)
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Capital Purchases	-	-	-	-
Maintenance	13,318	32,120	14,904	(17,216)
General Administrative	53,177	52,569	55,346	2,777
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	66,495	84,689	70,250	(14,439)
Surplus (Deficit):	514	-	250	250

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Agency Unrestricted Reserve Fund (Non-Program Specific)

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	21,200,000	-	-	-
Other Income	482,583	15,583	717,583	702,000
Total Revenues:	21,682,583	15,583	717,583	702,000
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Capital Purchases	14,288	-	-	-
Maintenance	-	-	-	-
General Administrative	11,000	15,000	15,000	-
Tenant Services	-	-	-	-
Operating Transfers Out	21,656,634	-	700,000	700,000
Debt Service	-	-	-	-
Total Expenses:	21,681,922	15,000	715,000	700,000
Surplus (Deficit):	661	583	2,583	2,000

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

New Horizons LIPH Administration Fund

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	1,111,169	1,233,718	1,287,569	53,851
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	-	-	-	-
Other Income	-	-	-	-
Total Revenues:	1,111,169	1,233,718	1,287,569	53,851
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	665,192	733,502	756,778	23,276
Employee Benefits	197,775	224,722	251,005	26,283
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	248,203	275,494	279,785	4,291
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	1,111,169	1,233,718	1,287,569	53,850
Surplus (Deficit):	(0)	(0)	-	0

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

New Horizons Brommer Administration Fund

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	5,832	5,832	5,832	-
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	-	-	-	-
Other Income	-	-	-	-
Total Revenues:	5,832	5,832	5,832	-
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	13,186	13,460	14,985	1,525
Employee Benefits	3,923	4,029	4,971	942
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	4,879	5,106	5,561	455
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	21,987	22,595	25,517	2,922
Surplus (Deficit):	(16,155)	(16,763)	(19,685)	(2,922)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

New Horizons Casa Pajaro Administration Fund

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	102,600	-	179,294	179,294
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	-	-	-	-
Other Income	-	-	-	-
Total Revenues:	102,600	-	179,294	179,294
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	59,460	-	106,148	106,148
Employee Benefits	20,370	-	35,207	35,207
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	22,770	-	37,939	37,939
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	102,600	-	179,294	179,294
Surplus (Deficit):	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

New Horizons Natural Bridges Administration Fund

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	36,278	37,283	42,348	5,065
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	-	-	-	-
Other Income	19,257	-	15,700	15,700
Total Revenues:	55,535	37,283	58,048	20,765
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	21,941	22,058	24,976	2,918
Employee Benefits	6,526	6,715	8,284	1,569
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	7,811	8,509	9,088	578
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	36,278	37,283	42,348	5,065
Surplus (Deficit):	19,257	-	15,700.00	15,700

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

New Horizons Overhead Administration Fund

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	710,114	-	905,716	905,716
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	-	-	-	-
Other Income	-	-	-	-
Total Revenues:	710,114	-	905,716	905,716
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	482,786	-	558,770	558,770
Employee Benefits	114,118	-	159,672	159,672
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	113,211	-	187,274	187,274
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	710,114	-	905,716	905,716
Surplus (Deficit):	(0)	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Merrill Road Administration Fund

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	26,580	26,580	26,580	-
Grants / Contracts	-	-	-	-
Rental Income	-	-	-	-
Operating Transfers In	-	-	-	-
Other Income	596	-	485	485
Total Revenues:	27,176	26,580	27,065	485
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	18,015	21,291	18,579	(2,712)
Employee Benefits	7,086	8,409	7,374	(1,035)
Capital Purchases	-	-	-	-
Maintenance	-	-	-	-
General Administrative	20,999	22,710	18,621	(4,089)
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	46,099	52,410	44,574	(7,836)
Surplus (Deficit):	(18,923)	(25,830)	(17,509)	8,321

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Proposed Budget

Fiscal Year 2025-2026

Spruce Street

	2024-25 Projected Actuals	2024-25 Approved Budget	2025-26 Proposed Budget	Increase / (Decrease) from 2024-25
Revenues:				
HAPS / Program	-	-	-	-
Administrative Fees	-	-	-	-
Grants / Contracts	-	-	-	-
Rental Income	30,663	23,508	33,048	9,540
Operating Transfers In	-	-	-	-
Other Income	1,190	800	980	180
Total Revenues:	31,853	24,308	34,028	9,720
Expenses:				
Housing Assistance Pmts	-	-	-	-
Salaries	635	1,103	1,249	146
Employee Benefits	-	337	414	77
Capital Purchases	-	-	-	-
Maintenance	255	500	500	-
General Administrative	8,944	18,073	10,359	(7,714)
Tenant Services	-	-	-	-
Operating Transfers Out	-	-	-	-
Debt Service	-	-	-	-
Total Expenses:	9,834	20,013	12,522	(7,491)
Surplus (Deficit):	22,019	4,295	21,506	17,211



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Board of Supervisors

Subject: At-Large Reappointment to the Housing Authority Board of Commissioners (Tenant Rep. over 62 Years)

Meeting Date: April 29, 2025

Formal Title: Accept nomination of Richard F. Schmale for reappointment to the Housing Authority Board of Commissioners, as an at-large tenant representative over the age of 62, for a term to expire May 12, 2027, with final appointment to be considered on May 6, 2025

Recommended Actions

- 1) Accept nomination of Richard F. Schmale for reappointment to the Housing Authority Board of Commissioners, as an at-large tenant representative over 62 years of age, in accordance with Resolution No. 389-69, for a term to expire May 12, 2027; and
- 2) Return for consideration of final appointment on May 6, 2025.

Executive Summary

Accept nomination for reappointment to fill an at-large tenant representative over 62 years of age position on the Housing Authority Board of Commissioners.

Discussion

Based on the letter received, Richard F. Schmale has been nominated to serve an additional two-year term, as the at-large tenant representative over 62 years of age, with final appointment to be considered on May 6, 2025.

Financial Impact

The recommended action does not have a financial impact.

Strategic Initiatives

N/A

Submitted By:

Felipe Hernandez, Chair

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Board of Supervisors

Subject: At-Large Reappointment to the Housing Authority Board of Commissioners (City of Santa Cruz)

Meeting Date: May 6, 2025

Formal Title: Accept nomination of Carol Berg for reappointment to the Housing Authority Board of Commissioners, as the at-large representative of the City of Santa Cruz, for a term to expire May 21, 2029

Recommended Actions

Accept nomination of Carol Berg to the Housing Authority Board of Commissioners, as the at-large representative of the City of Santa Cruz, in accordance with Resolution No. 389-69, for a term to expire May 21, 2029.

Executive Summary

Accept nomination to fill an at-large representative of the City of Santa Cruz for a term to expire May 21, 2029.

Discussion

Attached is a minute order from the March 25, 2025, Santa Cruz City Council meeting indicating that the City Council took action to nominate Ms. Berg for reappointment as the representative of the City of Santa Cruz to the Housing Authority Board of Commissioners. Therefore, in accordance with Resolution No. 389-69, I recommend the reappointment of Carol Berg to the Housing Authority Board of Commissioners, as a representative of the City of Santa Cruz, for a term to expire May 21, 2029.

Financial Impact

The recommended action does not have a financial impact.

Strategic Initiatives

N/A

Submitted By:

Felipe Hernandez, Chair

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.

AGENDA ITEM SUMMARY

MEETING DATE: May 28, 2025

ITEM NUMBER: 8

FROM: Exec. Director; Deputy Exec. Director

SUBJECT: Director's Report – May 28, 2025

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Please call or e-mail me with questions you might have on any of the Agenda Items for the May 28, 2025 meeting. My phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

President's Proposed Budget – On May 2nd, the President released what is called a “skinny budget” for Federal fiscal year 2026. The President's proposed budget is typically considered a blueprint for the Administration's priorities in terms of budget and policy. This year's “skinny budget” reflects the Administration's desire to make significant cuts to many federal programs, including housing assistance programs. This proposed budget also reflects the Administration's desire to block grant rental assistance programs, shifting administration of the programs to each state, and to adopt certain program changes, including work requirements and time limits.

While the President's proposed budget begins the federal appropriations process, this proposed budget is a *recommendation* to Congress and does not have the weight of law. Over the coming months, both the Senate and the House of Representatives will develop their own draft budgets. Ultimately, Congress has final approval over funding decisions for federal programs. Although HUD programs have experienced good funding years and bad funding years, rental assistance programs like the Housing Choice Voucher program have historically had bipartisan support. At this time, industry groups suspect that while there are likely to be funding cuts in 2026, they are not likely to be as deep as what is proposed in the President's budget. Staff are engaged in advocacy efforts with statewide and national organizations, and will continue to keep the Board informed as additional information about the 2026 appropriations process is available.

Emergency Housing Voucher (EHV) Funding Update – EHV's were originally funded through the American Rescue Plan Act (ARP) during COVID. Section 3202 of the ARP appropriated \$5 billion in funding for new incremental EHV vouchers. This funding was anticipated by HUD to cover the cost of the program for ten years. Unfortunately, it appears that the costs of the program have exceeded original projects. On March 6, 2025, HUD sent a letter to housing authorities stating that it will obligate a final allocation for all EHV funds that remain available to HUD under the ARP. The notice goes on to state that “after this final allocation, the Department will provide no additional EHV HAP Renewal funding allocations to PHAs.” The notice also states that PHAs should not expect any additional funding for this

program beyond the final allocation amount, and that the Department will provide additional information on options for managing EHV in future notices.

On May 7, 2025, the Authority received our final funding award from HUD. Based on the remaining EHV funding allocated to our Agency, staff believe that the available funds would cover the cost of administering all EHV vouchers (currently at approximately 250 households) through the end of 2026. When factoring in our anticipated EHV attrition, we expect that there will be 225 EHV households remaining on the program at the end of 2026 when funding would be depleted.

As previously discussed with the Board, our top priority is to protect our current EHV households to the best of our ability, working to connect all EHV households to another form of rental assistance before funding is depleted. To that end, staff has taken proactive steps to create space in the HCV program, so that we may absorb as many EHV households as possible into the EHV program. Specifically, staff have stopped issuing new vouchers from our waiting list and stopped accepting referrals from partner agencies. Additionally, staff have temporarily suspended any transfers from the Project Based Voucher program into the HCV program. These steps will accelerate the rate of our HCV program attrition and maximize the number of HCVs that are available for EHV households.

Staff have been in communication with the County of Santa Cruz Human Services Department (HSD) Housing for Health Department (H4H) to share information about HUD's early termination of the EHV program along with our strategies for minimizing the risk of terminating rental assistance from currently assisted households. County staff have been extremely supportive and have agreed to work collaboratively with the Housing Authority.

In the coming month, staff plan to begin to communicate with EHV households about the funding situation, along with our commitment to work towards connecting all households to other rental assistance programs, including both Project Based Voucher unit opportunities (as they come up) as well as transitioning to a regular HCV. Staff expect to begin transferring EHV households into the HCV program this summer, with program transfers occurring in the order of the original admission date of EHV households, and staff would continue in that order, to the extent allowed within voucher and funding constraints, with the goal of connecting ALL households to another rental assistance program prior to running out of EHV funds. At this time, staff anticipate transferring approximately 100 EHV households into the HCV program by the end of FY 25/26, which will allow the EHV funding to support the remaining families well into 2027.

Family Unification Program (FUP) Voucher Award – The Housing Authority of the County of Santa Cruz was among eleven (11) housing authorities nationally to receive an award of FUP Vouchers. The award for an additional 52 FUP vouchers will be provided to the Housing Authority effective July 1, 2025, bringing the size of the FUP program up to a total of 270 vouchers. FUP vouchers are available to families for whom the lack of adequate housing is a primary factor in placing children in out-of-home care, or families for whom the lack of adequate housing is the primary factor for the delay in a child's reunification with their family. FUP vouchers may also be provided to youth age 18 – 24 years of age who have participated in the foster care and are homeless or at risk of homelessness.

AB 282 Source of Income Discrimination – At the March 2025 meeting, the Board of Commissioners directed staff to endorse AB 282, which would allow housing providers to establish a preference for

recipients of rental assistance. Additionally, the Board directed staff to send a letter of support for the bill, along with engaging in additional advocacy to support the bill. Since that time, AB 282 has passed through both the Assembly Housing and Judiciary Committees, with Housing Authority staff in attendance at both meetings to provide expert witness testimony in support of the bill. Additionally, on May 8th, the bill went to the full Assembly for a vote, passing off the Assembly Floor with a vote of 47-12. The bill will now move to the State Senate, where it will begin the Hearing Process once again. Staff will continue to keep the Board informed of the progress of the bill.

Affordable Housing Month Update – May is Affordable Housing Month! Once again, Housing Santa Cruz County is taking a leadership role in organizing and coordinating multiple events throughout the month of May to encourage advocates and allies to join forces in highlighting the need for affordable housing, as well as promoting some of the work being done locally. A full calendar of Affordable Housing Month activities is available on the Housing Santa Cruz County website at www.housingsantacruzcounty.com.

The Housing Authority hosted or co-hosted the following events:

- Natural Bridges Grand Opening – The Grand Opening celebration took place on May 9th, at 11am at the property site, located at 415 Natural Bridges Drive.



- Property Owner Appreciation Event – The Housing Authority coordinated with the County of Santa Cruz Housing for Health Division and Abode Services to host a Landlord Appreciation event. The event took place on Wednesday May 14th at Seacliff Inn, Aptos. The event included remarks from County, Housing Authority and Abode staff, along with a keynote address from Santa Cruz City Councilmember Sonja Brunner, and concluded with various landlord awards and a raffle.
- Housing Discrimination / Fair Housing Workshop – The Housing Authority partnered with California Rural Legal Aid (CRLA) and Senior Legal Services (SLS) to host a Housing Discrimination / Fair Housing Workshop on May 21st at the Capitola Library. The workshop highlighted information about housing rights, discriminatory practices, and how to report them. The event was attended by over 70 community members.

Additionally, Housing Authority staff is attending and participating in several other events, including the Cienega Hights Grand Opening and the March to End Homelessness.

Chanticleer Avenue - New Horizons executed the option agreement with the sellers to purchase 2021 – 2031 Chanticleer on October 18, 2024. The initial escrow deposit of \$50,000 has been released to the sellers. The first extension of the initial term of the option was executed on February 10, 2025. The second and final option extension for an additional 120-days which includes an escrow deposit of \$70,000 will be released to the seller by June 15.

The California State Historic Preservation Officer (SHPO) provided a response to our NEPA review under Section 106 of the National Historic Preservation Act of 1966 to assess the potential that a federally assisted project may affect a historic property. Staff met with the SHPO office and have agreed to provide notice to local tribes for consultation. On May 14, SHPO provided a letter of full consultation, however, on May 12 the Costanoan Rumsen Carmel Tribe responded requesting consultation to provide input on the project. The County has reached out to the tribe to further engage with the tribe, and will coordinate the necessary updates the SHPO consultation letter as necessary. Due to the request for consultation, this is expected to delay the closing of the property to August or September.

Staff have finalized the 10 Over contract terms and the contract execution is imminent. Staff will initiate the pre-design activities soon, which consist of the development of a conceptual project design. Results from this phase will be presented to the Development Subcommittee and Board of Commissioners for their input and feedback on the project design.

Portola Drive – The Option Agreement to purchase 3501 Portola Drive was executed on March 12, 2025 which consists of total option deposits of \$150,100 for a combined 300-day due diligence period. The escrow deposits are fully refundable to New Horizons if the parties are unable to agree on a scope and cost of potential environmental remediation. Additionally, the sellers have agreed to cover the initial cost of any environmental remediation at or below \$250K. New Horizons is actively working with Dudek to conduct the environmental due diligence services, the required NEPA review and prepare cost estimates for potential environmental remediation. Dudek are actively performing Phase I and Phase II environmental site assessments, which includes the collection of several soil samples throughout the property. Staff will share the outcome of the environmental site assessments with the Board to outline any significant environmental conditions and the estimated costs for remediation. For the Future and Eden Housing has submitted a proposal in response to the Co-Development RFQ, and staff are evaluating them as development partners for this project.