

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
June 25, 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 May 28, 2025

Motion to Approve

B. Cancellation of the July 23, 2025

Motion to Approve Cancellation of the July 23, 2025 Meeting

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. Housing Authority Annual Agency Goals

Establish Housing Authority Agency Goals for 2025 - 2026 FY

7. Written Correspondence

8. Director's Report

9. Reports from Board Members
(Board members may report on meetings attended, if any, or other items of interest.)

10. Closed Session

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 MAY 28, 2025, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 1 Roll Call

Vice Chairperson Melendrez called the meeting to order 11:06 a.m. Members present Vice Chairperson Melendrez, Commissioners Berg, Morales, Schiffrin and Schmale (Chairperson Martinez Alaniz entered the meeting at 11:30 a.m.)

Members Absent

Commissioner Eligio

Staff Present

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

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

AGENDA ITEM NO. 3 Consent Agenda

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

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

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

Agenda Item 3A. Approved Minutes of the Regular Meeting held April 23, 2025
Agenda Item 3B. Received Report Quarterly Financials

AGENDA ITEM NO. 4 Oral Communications
None.

AGENDA ITEM NO. 5A Unfinished Business
None.

AGENDA ITEM NO. 6A Agency Budget for FY 2025-2026

Finance Director Pomeroy presented the Commissioners with the proposed Agency Budget for FY 2025-2026. Finance Director Pomeroy stated that of the agency's five program groups (Section 8, Federal Housing, Federal Grants, Local Programs, and Business Activities), none of the programs have anticipated budget deficits for the coming year. Finance Director Pomeroy emphasized that this is a positive sign for the agency's revenue sources to align with each program's financial need since surplus funding is generally restricted for the sole benefit of the given program and cannot be used to supplement funding deficits in other programs with the exception of Moving-to-Work (MTW) fungibility.

Finance Director Pomeroy informed the Board that the agency's proposed budget includes a 2% Cost of Living Adjustment (COLA) for staff effective at the beginning of the fiscal year. Finance Director Pomeroy informed the Board that this 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.

Finance Director Pomeroy informed the Board that 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. Finance Director Pomeroy informed that Board that the Housing Authority's MTW designation also provides financial flexibility to help strategically position the agency. A discussion followed.

Commissioner Schiffrin inquired of Finance Director Pomeroy the budgetary impact of a 3% COLA. Finance Director Pomeroy responded that a 2% COLA would result in an increase of \$150,000 to the budget, and that a 3% COLA would require an additional \$75,000, for a total increase of \$225,000. Commissioner Schiffrin asked staff if they would have concerns about amending the budget to allow for a 3% COLA. Executive Director Panetta and Finance Director Pomeroy both confirmed that they did not have concerns about the amendment.

Commissioner Schiffrin moved to Adopt Resolution 2025-07: Adopting the Fiscal Year 2025-2026 Agency Budget for the Housing Authority of the County of Santa Cruz as amended to include a 3% Cost of Living Adjustment; Commissioner Melendrez seconded the motion and it was passed by the following vote:

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

(Chairperson Martinez Alaniz began leading the meeting at 11:30 a.m.)

AGENDA ITEM NO. 7 Written Correspondence

Secretary Panetta informed the Board of Commissioners of the letters received from the County of Santa

Cruz Board of Supervisors confirming the reappointments of Commissioners Berg and Schmale. The Board, along with Secretary Panetta, expressed their appreciation to Commissioners Berg and Schmale for their continued service.

AGENDA ITEM NO. 8 Report of Executive Director

Executive Director Panetta informed the Board of the President's proposed federal budget, noting that it reflects the Administration's desire to implement significant reductions across various federal programs, including those that provide housing assistance. Director Panetta emphasized that we are early in the federal appropriations process, and that historically rental assistance programs have received bipartisan support. Each house of Congress will now begin working on their own draft appropriations bills, which may differ significantly from the President's proposed budget.

Executive Director Panetta provided an update on Emergency Housing Voucher (EHV) funding. Secretary Panetta re-emphasized to the Board that staff's top priority is to safeguard current EHV households by making every effort to transition them to another more stable form of rental assistance before available funding is exhausted.

Executive Director Panetta informed the Board that the Housing Authority was awarded an additional 52 Family Unification Program (FUP) vouchers, bringing the total allocation to 270 vouchers.

Executive Director Panetta provided an update on the progress of AB 282, the Source of Income Discrimination bill. Staff will continue to keep the Board informed on any developments related to the bill.

Executive Director Panetta reminded the Board that May is Affordable Housing Month and highlighted the Housing Authority's involvement in key events, including the Natural Bridges Grand Opening, the Property Owner Appreciation Event, and the Housing Discrimination/Fair Housing Workshop.

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

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

AGENDA ITEM NO. 9 Reports from Board Members

Chairperson Martinez Alaniz informed the Board that she attended the Natural Bridges Grand Opening and participated in the ribbon-cutting ceremony alongside Executive Director Panetta. She noted that it was a wonderful event and shared that she also attended several other events in recognition of Affordable

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Housing Month.

AGENDA ITEM NO. 10 Closed Session
None.

AGENDA ITEM NO. 11 Report on Closed Session
None.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 12:01 p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Fifth Day of June 2025.

Chairperson of the Authority

ATTEST: _____

Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: June 25, 2025

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: Cancellation of the July 23, 2025 Meeting

RECOMMENDATION: Approve Cancellation of the July 23, 2025 Meeting

BACKGROUND SUMMARY:

Historically, the Housing Authority Board of Commissioners does not hold a meeting in July or November. Therefore, staff propose that the Board of Commissioners cancel the July 23, 2025 meeting.

RECOMMENDATION: Approve Cancellation of July 23, 2025 Meeting

MEETING DATE: June 25, 2025

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Housing Authority Annual Agency Goals

RECOMMENDATION: Establish Housing Authority Agency Goals for 2025 - 2026 FY

BACKGROUND SUMMARY:

Each year, the Housing Authority Board of Commissioners establishes Annual Agency Goals for the upcoming fiscal year. A final report on progress towards FY 2024 - 2025 goals will be provided to the Board at the August meeting. Below are proposed Agency Goals for the upcoming 2025 - 2026 fiscal year.

Proposed Housing Authority Agency Goals for 2024 - 2025 Fiscal Year

1. Housing Choice Voucher Program:

- a. Achieve and maintain cumulative voucher utilization rate under 99% for HCV program group, including all voucher types.
- b. Reduce the size of the Emergency Housing Voucher (EHV) program by at least 130 households, through attrition and by transferring those households to other rental assistance programs with more stable funding.
- c. Reduce the size of the Housing Choice Voucher (HCV) program group to approximately 5,754 households by the end of the FY, through program attrition, despite the planned addition of PBV properties ready for occupancy and the planned transfer of EHV households to the HCV program group.

2. Affordable Housing Supply:

- a. Optimize financial resources and funding sources, including MTW and New Horizons funds, to acquire property and develop new affordable housing projects.
- b. Establish a total of two partnerships on LIHTC projects, to acquire the LIHTC experience points that are required in order to apply for tax credits for our own future projects.
- c. Execute purchase and sale agreement for 2021 Chanticleer to acquire property, enter a co-development agreement with a development partner in association with submitting a LIHTC application, and submit the entitlement application to the county.

- d. Complete environmental review for 3501 Portola, and if cleared execute purchase and sale agreement to acquire property, enter a co-development agreement with a development partner in association with submitting a LIHTC application, and enter a contract with an architecture firm to prepare preliminary schematic plans for a project description.
3. Expand Programs and Services:
- a. Complete year two implementation of two-year plan for expansion of New Horizons Programs and Services.
 - b. Conduct an updated Stakeholder Survey to get information from residents and participants about utilization of and satisfaction with existing programs and services, as well as to assist in determining any unmet service needs (to be completed by August 2026).
4. Improve Agency and Program Management:
- a. Reopen Housing Choice Voucher waiting list.
 - b. Expand training and professional development opportunities for staff:
 - i. Present recommendation to the Board of Commissioners to establish and implement a tuition reimbursement employee benefit program to offer financial assistance to employees that are pursuing educational programs, related to their job or relevant professional development.
 - ii. Expand tools, resources, and training opportunities for staff. This will include a combination of required and optional training programs and professional development opportunities for staff.

Once Annual Agency Goals are established by the Board, Housing Authority staff shall provide updates on progress towards these goals on a quarterly basis through reports included in the consent agenda. The target date for completion of all goals will be 6/30/26 unless otherwise stated.

RECOMMENDATION: Establish Housing Authority Agency Goals for 2025 - 2026 FY

AGENDA ITEM SUMMARY

MEETING DATE: June 25, 2025

ITEM NUMBER: 8

FROM: Exec. Director; Deputy Exec. Director

SUBJECT: Director's Report – June 25, 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 June 25, 2025 meeting. My phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

President's Proposed Budget – On May 2, the President released a “skinny budget” for Federal Fiscal Year (FY) 2026, followed by the full budget request and Congressional Justification which was released on June 1. The proposed budget reflects deep cuts to domestic spending, including a 51% reduction in HUD funding—from \$89 billion in FY 2025 to \$43.5 billion. The proposal deeply cuts funding for major housing programs, including Housing Choice Vouchers and Continuum of Care programs, and eliminates all self-sufficiency and fair housing programs.

In addition to deep cuts, the President's budget proposes a structural overhaul of these programs, introducing them as state block grants. With this proposal, states would have a matter of months to create a new program infrastructure and launch new programs, with funding levels set to roughly half of current levels. Further, states would be required to prioritize elderly and disabled households and impose two-year time limits on assistance for non-elderly, non-disabled residents.

HUD Secretary Scott Turner testified before the House and Senate THUD Subcommittees in mid-June to discuss the budget proposal. Republican subcommittee chairs stated that restructuring programs is outside of their jurisdiction, which signals that the proposal to block grant the programs does not have Congressional support and is unlikely to advance. Additionally, Democrats and Republicans alike expressed concern about the impact of deep cuts to housing programs. With a Republican supermajority in Congress and the White House, both chambers will soon draft their own appropriations bills. While the details will vary, they're expected to be more aligned than in recent years. Meanwhile, national housing advocacy groups including NAHRO, PHADA, CLPHA, and others have submitted joint funding recommendations and are actively advocating Congress to reject the proposed cuts and restructuring.

Chanticleer Avenue - New Horizons executed the option agreement with the sellers to purchase 2021 – 2031 Chanticleer on October 18, 2024. The initial and final escrow deposits of \$120,000 have been released to the sellers.

The County has determined the project will have no significant impact on the human environment in association with the NEPA requirements. On June 13, the County published the legal advertisement for the Request for Release of Funds Staff under the status of Finding No Significant Impact which initiated the 15-day public comment and review period which will conclude on June 27. Staff and the County will continue to engage with the California State Historic Preservation Officer (SHPO) and the Costanoan Rumsen Carmel Tribe on requests to consult on the project.

Staff will initiate the architecture pre-design activities soon, which will 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 has completed the collection of soil samples at the site, and we are waiting for the final report from Dudek on the outcome of the tests. 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. Staff plan to release a Request for Proposals for a relocation consultant to assist in coordinating with the existing tenants. 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.

River Street – At the May New Horizons Board of Directors meeting staff presented the recommendation to enter a co-development partnership opportunity to develop 136 River Street, Santa Cruz, with For the Future Housing. The staff notified the Board that a resolution and agreement would be presented at the June meeting. This agenda item has been postponed to the August meeting while staff continue to work with For the Future on the terms of the agreement.

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