

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
January 28, 2026 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 expires, 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 Special Meeting held December 10, 2025

Motion to Approve

B. HOME Application for Tenant-Based Rental Assistance

Motion to Approve Certifications to Submit HOME Application for Tenant-Based Rental Assistance

C. Housing Authority Project Based Voucher Program – FY 2026 Quarter 2 Report

Receive Report

D. Housing Authority Annual Agency Goals – Quarter 2 Report

Receive Report

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

5. Unfinished Business

6. New Business

A. Section 8 Housing Choice Voucher Program: Voucher and Funding Utilization

Receive Report

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 SPECIAL MEETING HELD DECEMBER 10 , 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 11:03 a.m. Members present Vice-Chairperson Melendrez, Commissioners Berg, Eligio, Morales, Schiffrin and Schmale

Members Absent

Chairperson Martinez Alaniz

Staff Present

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

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

Secretary Panetta informed the Board of Commissioners that there were no late additions or changes to the agenda. However, as architects from 10-Over Studio were in attendance to present an item on the New Horizons agenda, staff proposed that the Board first vote on the Consent Agenda, then open the Public Hearings for Agenda Item 6A. Following the closure of the Public Hearings, staff proposed recessing the Housing Authority meeting, convening the New Horizons meeting, and reconvening the Housing Authority meeting upon conclusion of the New Horizons meeting. The Board of Commissioners agreed to this proposed order of meetings.

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

Agenda Item 3A. Approved Minutes of the Special Meeting of November 12, 2025

Agenda Item 3B. Received Report Fiscal Year 2026 First Quarter Financials

AGENDA ITEM NO. 4 Oral Communications

None.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE SPECIAL MEETING HELD DECEMBER 10 , 2025, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 5A Unfinished Business

None.

AGENDA ITEM NO. 6A Public Hearings, Review and Consideration of Draft Amended Annual Submission to the 2025 Moving to Work (MTW) Supplement to the Annual PHA Plan for Fiscal Year 7/1/2025.

Vice-Chairperson Melendrez *opened* the Public Hearing for the Draft Amended Annual Submission to the 2025 Moving to Work (MTW) Supplement to the Annual PHA Plan for Fiscal Year 7/1/2025 at 11:05 a.m.

Public Hearing Comments:

No Public in attendance with comments.

Secretary Panetta informed the Board of Commissioners that an email was received with comments on the MTW Supplement. Secretary Panetta will summarize the comments for the Board during the staff report of Agenda Item 6A.

Vice-Chairperson Melendrez *closed* the Public Hearing for the Draft Amended Annual Submission to the 2025 Moving to Work (MTW) Supplement to the Annual PHA Plan for Fiscal Year 7/1/2025 at 11:05 a.m.

Vice-Chairperson Melendrez *opened* the Public Hearing for the MTW Safe Harbor Waiver at 11:06 a.m.

Public Hearing Comments:

No Public in attendance with comments.

Vice-Chairperson Melendrez *closed* the Public Hearing for the MTW Safe Harbor Waiver at 11:06 a.m.

End of Public Comments.

Vice-Chairperson Melendrez recessed the Housing Authority meeting at 11:07 a.m.

Vice-Chairperson Melendrez reconvened the Housing Authority meeting at 11:49 a.m.

Secretary Panetta reminded the Board that at the September 2025 Board of Commissioners meeting, the Board authorized staff to draft an MTW Supplement Amendment containing cost-saving waivers and to initiate a public comment period. The purpose of the proposed waivers is to reduce the risk of a financial shortfall in the Housing Choice Voucher (HCV) program in 2026 and beyond, to create financial capacity to absorb Emergency Housing Voucher (EHV) households prior to the expiration of EHV funding, and to maximize the number of households served through the HCV program.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE SPECIAL MEETING HELD DECEMBER 10 , 2025, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

Secretary Panetta reported that on October 24, 2025, the draft 2025 MTW Amended Annual Submission was posted on the HACSC website for public review and comment, and public notice was provided. Secretary Panetta further reminded the Board that at the November 2025 Board of Commissioners meeting, staff presented the draft MTW Supplement Amendment and reviewed the recommended waivers.

Secretary Panetta informed the Board that on December 3, 2025, staff reviewed the draft amended materials with the Resident Advisory Board (RAB), and RAB members expressed support for the proposed waivers. Secretary Panetta reported that staff is now recommending adoption of the resolution and certification. A discussion followed.

Secretary Panetta informed the Board of Commissioners that an email was received from Craig Johnson with Public Comment on the MTW Supplement after the Board packet was sent out. Secretary Panetta highlighted the portion of the email pertaining to the MTW Supplement.

Commissioner Schiffrin moved to Approve Draft of the Amended Annual Submission to the 2025 Moving to Work (MTW) Supplement to the Annual PHA Plan for Fiscal Year 7/1/2025. Adopt Resolution No. 2025-10 Authorizing Execution of *MTW Certification of Compliance with Regulations*; Board Resolution to Accompany the Amended Annual Submission to the 2025 Moving to Work (MTW) Supplement to the Annual PHA Plan for Fiscal Year 7/1/2025 for the Housing Authority of the County of Santa Cruz; Commissioner Berg seconded the motion and it was passed by the following vote:

AYES: Commissioners Berg, Eligio, Melendrez, Morales, Schiffrin and Schmale

NOES: None

ABSENT: Commissioner Martinez Alaniz

ABSTAIN: None

AGENDA ITEM NO. 6B Resolution for 2021 Chanticleer Avenue, Santa Cruz County to increase the allocation of funds for a pre-development loan to New Horizons for expenses up to \$4,800,000

Deputy Executive Director Graham reminded the Board of Commissioners that at the February 2025 meeting the Board adopted Resolution 2025-02 authorizing Housing Authority staff to loan New Horizons the amount of \$1,240,000 to cover pre-development costs for 2021 Chanticleer Avenue outlining the specific services needed to accommodate the project design. Staff is now recommending the Housing Authority loan New Horizons the full anticipated costs for pre-development activities up-to \$4,800,000. A discussion followed.

Commissioner Schiffrin moved to Adopt Resolution 2025-11 to increase the allocation of MTW funds for a pre-development loan to New Horizons for expenses up-to \$4,800,000 for 2021 Chanticleer Avenue; Commissioner Berg seconded the motion and it was passed by the following vote:

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE SPECIAL MEETING HELD DECEMBER 10 , 2025, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

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

AGENDA ITEM NO. 7 Written Correspondence
None.

AGENDA ITEM NO. 8 Report of Executive Director

Deputy Executive Director Graham gave the Board an update on the 2021 Chanticleer development.

Executive Director Panetta gave the Board a legislative update, including an update on Emergency Housing Vouchers.

Executive Director Panetta informed the Board of a HOME funding opportunity.

Executive Director Panetta informed the Board of proposed changes to the Continuum of Care (CoC) funding.

AGENDA ITEM NO. 9 Reports from Board Members
None.

AGENDA ITEM NO. 10A 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 12:37 p.m.

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

Chairperson of the Authority

ATTEST: _____
Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: January 28, 2026

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: HOME Application for Tenant-Based Rental Assistance

RECOMMENDATION: Approve Certifications to Submit HOME Application for Tenant-Based Rental Assistance

BACKGROUND SUMMARY:

In early 2025, HUD informed housing authorities nationwide that the Emergency Housing Voucher (EHV) Program will be closing out at the end of CY2026 due to higher than expected costs. Concurrently, HUD, industry experts, and Housing Authority staff forecast CY2026 funding for the Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) Programs to be comparable to or lower than CY2025 funding levels, despite expected increases in average housing assistance payments (HAP) costs. This projected funding imbalance means that there will be limited opportunities to transfer EHV families into the HCV Program in CY2026. Housing Authority staff are looking at all available options to offer families continued housing assistance.

HOME Tenant-Based Rental Assistance

The City of Santa Cruz has opened an application for up to \$200,000 in HOME Investment Partnership (HOME) Program funds. The HOME Program is a federal block grant program administered by states and local governments to support affordable housing activities for low-income families. HOME funds may be used as tenant-based rental assistance (TBRA), and staff believe this funding represents a potential opportunity to provide interim support for some EHV families.

The HOME TBRA would function as a temporary subsidy to stabilize households and serve as a bridge between the closeout of the EHV Program and a permanent HCV, once HCV funding allows for new program admissions. Based on current HAP costs, staff estimate that \$200,000 in HOME funds would be able to support approximately seven families for 12 months.

The HOME TBRA subsidy calculation is similar to the EHV/HCV Program. Participants would contribute 30% of their income toward rent, with the rental assistance payment covering the difference up the applicable payment standard. Staff would structure the program to mirror established EHV/HCV processes as closely as possible to ensure clarity for participants and landlords, and to facilitate a smooth transition between programs.

If awarded the HOME grant, staff plans to offer HOME assistance to EHV families based on the Housing Authority's existing EHV transfer prioritization list. Staff propose to operate the program on a countywide basis if acceptable to the City of Santa Cruz. However, if the City requires that the program be available only to City residents, staff will proceed accordingly. If HCV funding ultimately proves to be sufficient to absorb all EHV families and the HOME TBRA funds are no longer needed for this population, staff propose that any remaining HOME funds be used to provide rental assistance to other households whose housing subsidies are ending or expiring, including but not limited to households receiving rental assistance through Continuum of Care (CoC) funded grants such as Shelter Plus Care (S+C).

The HOME application is attached. The application requires a Certification of Application, Certificate of Affiliation and Civil Rights Compliance Certification to be signed by the Board Chair.

RECOMMENDATION: Approve Certifications to Submit HOME Application for Tenant-Based Rental Assistance



HOME

Home Investment Partnerships Program

**Application for
Home Investment Partnerships Program
Funding (HOME)**

PY 2026-2027

**Applicant
Organization:**

Housing Authority of the County of Santa Cruz
Tenant-Based Rental Assistance for Low-Income
Families

Project Name

Amount Requested:

\$200,000



Economic Development & Housing Department
337 LOCUST ST., SANTA CRUZ, CA 95060 • 831-420-5150

Application for Affordable Housing Project Funding Home Investment Partnership (HOME) Program Funds 2026-2027 PROGRAM YEAR

Applicant's Name: Housing Authority of the County of Santa Cruz

Applicant's Address: 2160 41st Ave, Capitola, CA 95010

DUNS (data universal numbering system) Number: 010923928

Federal Employer Identification Number (EIN NO): 94-1699385

Applicant is: ☐ Non-Profit Housing Developer ☐ For-Profit Affordable Housing Developer ☐ CHDO
(Check all that apply.) ☒ Other – **Independent Public Agency**

Name of Project Manager: Eric C. Johnson AND Rayne Perez

Email Address: ericj@hacosantacruz.org | Telephone No: 831-454-5975
raynep@hacosantacruz.org (please email Eric prior to calling) | 831-454-5958

Official Authorized to Sign Agreement: Jenny Panetta, Executive Director

Project/Program Name: Tenant-Based Rental Assistance for Low-Income Families

Location/Address: City of Santa Cruz or County of Santa Cruz, subject to City of Santa Cruz determination as the PJ

Brief Description of Project or Program (250 words max):

The Tenant-Based Rental Assistance (TBRA) for Low-Income Families program is designed to prevent homelessness among households facing the imminent loss of their Emergency Housing Voucher (EHV) subsidies. As these time-limited federal vouchers expire, many extremely low- and low-income families are at high risk of displacement and homelessness. This TBRA program will provide targeted, temporary rental assistance to stabilize these vulnerable households, preserve their existing housing, and prevent entry into the homeless services system. TBRA assistance is intended to be a bridge to a permanent Housing Choice Voucher. By maintaining affordability for low-income families, the program advances the HOME objective of providing affordable housing and supports the City of Santa Cruz Consolidated Plan goals to Increase Affordable Housing Opportunities and Reduce Homelessness. TBRA funds will help ensure that families can remain in decent, safe, and sanitary housing while they transition to long-term stability, avoiding the significant social and economic costs of homelessness. By prioritizing families on the brink of losing their rental assistance, this TBRA program can provide a critical safety net that preserves housing stability, prevents returns to homelessness, and aligns with the City's July 2024 Homeless Response Strategic Plan (HSRP) goal to "Increase homeless prevention efforts" through the

following identified HRSP-identified strategies: “Obtain funding to support local eviction prevention, rental assistance... [and] support efforts for housing stabilization.” It also aligns with the Countywide strategic framework goal to “reduce the percentage of people returning to homelessness.”

Anticipated Project/Program Completion date: The program will likely expend all funding by the end of CY2028.

Total Project/Program Cost:	\$200,000	
HOME Funding Request:	\$200,000	
Total Amount of: (1) Other Secured or Anticipated Funding: \$0		
(2) Value of In Kind Contributions:	Staffing and administrative costs covered by Housing Authority.	(3) Unfunded Gap: \$0

2026-2027 PLAN YEAR HOME PROGRAM APPLICATION CHECKLIST

Listed below are the forms required to apply for HOME funding from the City’s Housing and Community Development (HCD) Program for an affordable housing development or rehabilitation Project, or a HOME-Eligible Program. All forms must be filled out in order for the application to be considered for funding. Please CHECK the appropriate box on this page confirming the information has been provided. For assistance please email the Principal Management Analyst at jmellor@santacruzca.gov.

☒ **COVER SHEET**

Information on Organization and project description. (Page 3 of this application.)

☒ **SECTION I: HOME Objectives**

Verify that the program or project will meet one of the HOME objectives. Categorize the program or project according to the supplied checklist.

☒ **SECTION II: Project Description & Scope of Services**

Provide a clear and concise narrative description of the proposed program or project. Identify goals and objectives with an implementation plan and complete a Project Development Schedule form.

☒ **SECTION III: Budget Proposal + Budget Narrative**

Submit required budgetary information. A checklist has been provided for this section; please place a checkmark in the appropriate boxes to indicate that the information has been provided.

☒ **SECTION IV: Qualifications**

Provide a summary of past accomplishments in the provision/development of affordable housing. A checklist has been provided for this section; please place a checkmark in the appropriate boxes to indicate that the information has been provided.

☒ **SECTION V: Disclosures**

Submit all required information. A checklist has been provided for this section; please place a check mark in the appropriate boxes to indicate that the information has been provided.

☒ **SECTION VI: Certification**

Provide certification from Board authorizing submission of application, certification of affiliation, and certification of compliance with Civil Rights Act and Americans with Disabilities Act. Use attached forms.

SECTION I – HOME PROGRAM OBJECTIVES

INSTRUCTIONS: The HOME Program is designed to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low income and low-income families. HUD requires that any project or program receiving HOME Program funding achieve one of the four objectives listed under Section “A” below and must be in one of the four eligible activities listed in Section “B” below.

A. Four HOME Objectives: *(Check the one box that best applies to your project/program.)*

- ☒ 1. Provides affordable housing.
- ☐ 2. Expands capacity of non-profit housing developers.
- ☐ 3. Strengthens public agency housing program(s).
- ☐ 4. Leverages private sector participation.

B. Eligible Category of Activity: *(check all applicable boxes that apply to program or project)*

- ☐ Homeowner rehabilitation
- ☐ CHDO activities *(see Section D below)*
- ☐ Homebuyer activities
- ☒ Rental housing activities

The following activities may be funded only when conducted in conjunction with the major activity categories listed above:

- ☐ Acquisition of vacant land
- ☐ Refinancing
- ☐ Site improvements

C. Targeted Income Group:

- ☐ Low-income (80% of median income)
- ☒ Low-income (60% of median income)
- ☐ Very-low income (50% of median income)

D. Community Housing Development Organization (CHDO) Funding: *(check one)*

- ☒ 1. Applicant **IS NOT** requesting CHDO designation and funds.
- ☐ 2. Applicant **IS** requesting CHDO designation and funds:
For those Applicants that checked Box #D-2 above, only the following activities are eligible for CHDO funds. Please check the appropriate box that describes the CHDO activity or activities for which funds are being requested.
 - ☐ Acquisition and/or rehabilitation of rental housing.
 - ☐ Construction of new rental housing.
 - ☐ Acquisition and/or rehabilitation of homebuyer property.
 - ☐ Construction of new homebuyer property.
 - ☐ Direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO.

SECTION II – SCOPE OF SERVICES

(For PROGRAMS and/or Housing Project Development or Rehabilitation)

PROGRAM/ PROJECT DESCRIPTION

In the space below, please provide a brief project or program description. For projects include information about the project location and surrounding neighborhood, site character, and other relevant programs/uses that will or do occur on the site or in the project. If funding request is only for a portion of a project or program, please indicate that as well.

The Housing Authority of the County of Santa Cruz (HACSC) proposes to utilize up to \$200,000 of available HOME funds to operate a tenant-based rental assistance program for low-income families. The program will prioritize families in the following ways:

1. Emergency Housing Voucher (EHV) participants whose subsidies are ending.

The EHV Program, established by Congress during the COVID-19 pandemic to serve individuals and families experiencing homelessness, was originally expected to be funded through 2030. However, HUD announced that the program is ending in December 2026 due to higher than expected costs. HACSC does not expect to have adequate Housing Choice Voucher (HCV) funding in CY2026 to absorb all EHV households. Without continued support, these highly vulnerable families face a significant risk of returning to homelessness. HOME TBRA funding will allow HACSC to maintain housing stability for EHV participants during this funding shortfall. All EHV families have been added to the top of the HCV Waiting List and will be the first to receive an HCV when they are available again. The HOME TBRA initiative is intended to be a bridge to the permanent HCV subsidy. HACSC anticipates that all awarded HOME funding would likely be utilized to house EHV families.

2. Participants in other time-limited rental assistance programs whose subsidies are expiring, or participants in any other rental assistance program that is ending due to program or funding changes, including but not limited to Shelter Plus Care (S+C), other Continuum of Care homelessness programs, Fostering Youth to Independence (FYI) and Family Unification Program (FUP) Youth participants.

3. Other low-income families selected by HACSC, as needed to meet program goals and utilize any outstanding funding.

Program Operation

The TBRA program will be administered as closely to the existing HCV/EHV program as possible, in accordance with any HOME TBRA guidelines that may differ. Assistance will be structured to mirror established EHV/HCV processes to ensure administrative efficiency, clarity for participants and landlords, and a smooth transition for families shifting from the EHV/HCV Program to HOME-funded support.

HACSC has developed a prioritization list for EHV families to transition them to other housing opportunities as they come available, and will offer HOME TBRA assistance

based on this list. Awards will depend on monthly rental assistance costs and the total number of families the \$200,000 allocation can support. HACSC anticipates that all of the awarded HOME funding would be utilized to house EHV families due to the high need.

The proposed TBRA initiative is intended to act as a temporary bridge to maintain housing stability for households facing abrupt loss of federal rental assistance. HACSC's goal is to prevent homelessness while allowing time for HCV funding levels to return to adequate levels to reissue vouchers to affected families.

HACSC proposes to operate the TBRA program on a countywide basis. This approach is consistent with HACSC's jurisdiction and ensures continued, stable assistance to at-risk households regardless of whether they reside within City of Santa Cruz limits. However, if required by the City, HACSC would limit the program to the City of Santa Cruz.

All HOME funds received would be used to pay for rental assistance as staffing and ancillary administrative costs are provided by the Housing Authority as an in-kind contribution.

FOR DEVELOPMENT PROJECTS, FILL IN THE BELOW VALUES (#1 - #7) IN ADDITION TO THE REMAINING SECTIONS. PROGRAMS DO NOT NEED TO FILL-IN DEVELOPMENT SPECIFIC SECTIONS.

1. Type of Development and Number of Units:

A. Ownership Housing	_____	Rehab or New Construction?	_____
Total number of existing units:	_____	Total number of proposed units:	_____
Total no. existing bedrooms:	_____	Total no. proposed bedrooms:	_____
<hr/>		<hr/>	
B. Rental Housing	_____	Rehab or New Construction?	_____
Total number of existing units:	_____	Total number of proposed units:	_____
Total no. existing bedrooms:	_____	Total no. proposed bedrooms:	_____

2. Will relocation of any tenants be required?

A. Total land area (acres):

B. Total number of existing units:	Total number of proposed units:
C. Total no. existing bedrooms:	Total no. proposed bedrooms:

3. Site Plan:

- A. Provide a location map (8 ½ x 11") showing the site in relation to its surroundings.
- B. Attach a site plan (8 ½ x 11") showing details of the site and locations of existing and proposed structures.

4. Land Use and Zoning:

A. Proposed density
(units/acre): _____

B. Current zoning: _____

C. Required zoning: _____

5. Site Control:

A. Has the Applicant established site control? ☐ Yes ☐ No

B. If "yes" identify site control mechanism below (grant deed, purchase option, lease etc.):

(Attach copy of referenced document)

C. If "no" and site is not under applicant's control, attach description of method and timeline for establishing site control.

6. Environmental Issues:

A. Is the site in a flood zone? ☐ Yes ☐ No ☐ Don't Know

B. Are there any special features or unusual characteristics pertaining to the site, including, but not limited to, any known toxic materials, heritage trees, ground water problems etc.?

☐ Yes ☐ No ☐ Don't Know

If Yes, please attach description of features or characteristics that might affect development. If "Don't know" is checked, please attach a description and timetable of actions that will be taken to identify any environmental issues.

7. Planning Requirements: Indicate with a check, all approvals and permits required. If permits/applications have not been approved, show anticipated dates. If permits/ applications have been approved, place a check in the last column.

ACTION REQUIRED	INITIATION OF APPLICATION DATE	OR	ANTICIPATED APPROVAL DATE	OR	CHECK IF APPROVED
<input type="checkbox"/> NEPA Environmental Assessment or EIS*	_____		_____		<input type="checkbox"/>

- | | | | |
|--|-------|-------|--------------------------|
| <input type="checkbox"/> CEQA Negative Declaration or EIR* | _____ | _____ | <input type="checkbox"/> |
| | _____ | _____ | |
| <input type="checkbox"/> Toxic report | _____ | _____ | <input type="checkbox"/> |
| | _____ | _____ | |
| <input type="checkbox"/> Soils report | _____ | _____ | <input type="checkbox"/> |
| | _____ | _____ | |
| <input type="checkbox"/> Conditional Use Permit | _____ | _____ | <input type="checkbox"/> |
| | _____ | _____ | |
| <input type="checkbox"/> Variance | _____ | _____ | <input type="checkbox"/> |
| | _____ | _____ | |
| <input type="checkbox"/> Other: <i>(describe)</i> | _____ | _____ | <input type="checkbox"/> |

If an environmental assessment has been completed, attach a complete copy to this page.

SECTION II – EXHIBIT A

In the space provided below, list the measurable objectives of this program or project including quantifiable data whenever possible such as number of residents to be served, changes that may result from program, etc. Then describe specific actions/tasks that will be carried out to achieve these objectives, providing timelines when appropriate. Be as specific as possible. Use additional sheets if needed.

Primary Program/Project Goal(s): Provide continued rental assistance to at-risk families in the EHV Program to ensure housing stability and reduce the risk of re-entering homelessness.	
PROGRAM OBJECTIVES	ACTIONS/TASKS TO ACHIEVE OBJECTIVE
Objective #1: Provide rental assistance to as many families as funding will allow. HACSC anticipates funding will support approximately eight families for 12 months.	Utilize HACSC's EHV prioritization list to transfer families to HOME TBRA. HACSC will calculate the estimated monthly assistance cost and determine how many families the HOME funds would be able to support.
Objective #2: Provide rental assistance as a bridge to ensure families can remain stably housed until such a time that HCV funds are sufficient and families can be issued an HCV.	Continue to monitor anticipated and actual HCV funding levels and transition any EHV families over to the HCV Program as opportunities allow. This would allow any HOME funds to be reallocated to extend the bridge period longer for any families that may need it, or provide opportunities for other families to be placed on the program based on the prioritization list.
Objective #3:	
Objective #4:	

SECTION II – EXHIBIT B

Identify the actual or anticipated date for the following activities. Indicate with “N/A” if an activity is not pertinent to the project. Please note that for any activity for which funding is being requested, an anticipated date must be indicated or that activity may not be funded.

ACTIVITY	ANTICIPATED DATE
Site	Acquisition
Local Permits	Conditional Use Permit/Design Permit
	Planned Development Permit/Subdivision
	Building Permit
	State Environmental Review Completed
	Federal Environmental Review Completed
Construction Financing	Loan Application
	Enforceable Commitment
	Closing and Disbursement
Permanent Financing	Loan Application
	Enforceable Commitment
	Closing and Disbursement
Other Loans and Grants	Type and Source: <input checked="" type="checkbox"/> _____
	<input checked="" type="checkbox"/> _____
	Application
	Closing and Disbursement
	Type and Source: <input checked="" type="checkbox"/> _____
	<input checked="" type="checkbox"/> _____
	Application
	Closing and Disbursement
	Type and Source: <input checked="" type="checkbox"/> _____
	<input checked="" type="checkbox"/> _____
	Application
	Closing and Disbursement
Construction	Construction Start
	Construction Completion
	Placed in Service
	Occupancy

SECTION III – BUDGET PROPOSAL

The 2013 HOME Final Rule (“HOME Rule”) establishes requirements for underwriting projects that involves the analysis of project assumptions and risks to determine if the public investment is reasonable and the project can be expected to meet all applicable program requirements during the HOME Affordability Period. Under 24 CFR 92.250(b) of the HOME Rule, the City may not invest any more HOME funds, alone or in combination with other governmental assistance, than is necessary to provide quality affordable housing that is financially viable through the HOME Affordability Period. In addition, the City must ensure that the return to the owner or developer is reasonable and does not exceed the City’s established standards based on the size, type and complexity of the project. Furthermore, all financial resources, both private and public, must be committed before the City can enter into a funding agreement with a developer and release any HOME Program funds. HUD guidelines suggest that projects must be ready to begin construction within one year entering into an agreement for HOME funding and complete construction within four years.

Please provide the information listed below. Place a checkmark in the appropriate box to indicate that the information has been provided.

- ☒ **1. Proposed Budget.** Provide a line-item budget, which identifies all project-related costs. The budget must be developed and submitted on the “Development Project” format attached hereto Exhibit III A. If applicant is requesting CHDO designation and general operating assistance funds, also complete the attached “CHDO Operating Costs” form (Exhibit III B).

- ☐ **2. Rental Project Pro-forma.** ~~For all rental projects, provide a 15-year income and expense pro forma, similar to the format attached hereto as Exhibit III C. The pro forma must include all income and expenses, including reserve funds, (for each year and in total) projected for the development. Clearly state all assumptions such as rent levels (including utility allowances), vacancy/collection loss rates, projected annual income and expense percentage increases, etc.~~

- ☐ **3. Sources of Other Funds.** ~~For all projects, list all funding sources in Exhibit III D, including the type and amount of funding as well as the date (month and year) a commitment was received or is expected to be received.~~

**SECTION III – EXHIBIT A
DEVELOPMENT PROJECT
PROPOSED BUDGET**

Project/Program Name: Tenant-Based Rental Assistance for Low-Income Families **No. of Units:** Up to 16 households

PROJECT COSTS	1. Site acquisition	\$0.00
	2. Closing costs	\$0.00
	3. Arch. and Engineering fees	\$0.00
	4. Site work	\$0.00
	5. Buildings	\$0.00
	6. Fees and permits	\$0.00
	7. Construction management	\$0.00
	8. Construction contract	\$0.00
	9. Consultants	\$0.00
	10. Administration	\$0.00
	11. Legal	\$0.00
	12. Taxes and insurance	\$0.00
	13. Marketing	\$0.00
	14. Operating reserve	\$0.00
	15. Developer fee	\$0.00
	16. Contingency	\$0.00
	TOTAL COSTS	\$ 0.00
SECURED/COMMITTED LOANS	First mortgage	\$0.00
	Other loans secured by property (Describe)	\$0.00
	A. TOTAL LOANS	\$0.00
SECURED/COMMITTED GRANTS	Sponsor Donation	\$0.00
	Equity (Syndication)	\$0.00
	CDBG (Prior allocations for Project)	\$0.00
	HOME (Prior allocations for Project)	\$0.00
	Other (Describe)	\$0.00
	B. TOTAL GRANTS	\$0.00
FUNDING SUMMARY	C. Total estimated project cost	\$200,000
	D. Total secured funding (A + B)	\$0.00
	E. Funding gap (C - D)	\$200,000
	F. HOME funds requested	\$200,000
	G. CDBG funds requested (other applic.)	\$0.00
	H. Remaining gap (E – F - G)	\$0.00
	I. Available lines of credit	\$0.00

SECTION III – EXHIBIT B OPERATING COSTS
--

PERSONNEL COSTS	1. Salaries	\$0.00
	2. Fringe Benefits	\$0.00
GENERAL NON-PERSONNEL COSTS	3. Supplies	\$0.00
	4. Communication	\$0.00
	5. Printing	\$0.00
	6. Utilities	\$0.00
	7. Rent	\$0.00
	8. Travel - Local	\$0.00
	9. Travel - Other	\$0.00
	10. Liability Insurance	\$0.00
	11. Miscellaneous	\$0.00
SPECIFIC NON-PERSONNEL COSTS	12. Equipment Rental	\$0.00
	13. Equipment Purchase	\$0.00
	14. Contracted Services/Consultants	\$0.00
	15. Audit Fees	\$0.00
TOTAL BUDGET:		\$200,000

BUDGET NARRATIVE:

The Housing Authority of the County of Santa Cruz proposes to use all awarded HOME funds as rental assistance payments for program participants.

Staffing and other administrative costs will be covered by the Housing Authority as an in-kind contribution.

<p align="center">SECTION III – EXHIBIT C RENTAL PROJECT INCOME AND EXPENSE PRO-FORMA</p>
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	YEAR #1	YEAR #2	YEAR #3	YEAR #4	YEAR #5
1. Potential rental income					
2. Miscellaneous income					
3. Gross income					
4. Vacancy factor (5%)					
5. Effective gross income					
6. Debt service					
7. Operating expenses					
8. Net operating expenses					
9. Other Subsidy: _____					
10. Other Subsidy: _____					
11. Net cash flow					

Notes regarding this analysis should be attached and referenced by line item.

**SECTION III – EXHIBIT D
SOURCES OF OTHER FUNDS**

- List sources, including funding amounts, to which you have funding committed for the proposed project.
- List pending funding sources, including the anticipated funding amounts, to which you have applied and anticipate being awarded funds for the proposed project.
- List other potential funding sources, including the anticipated funding amounts, to which you will be submitting an application and have a reasonable expectation of being funded for the proposed project.

LEVERAGING FUNDS**		
SOURCE & TYPE OF FUNDING***	AMOUNT (\$)	DATE FUNDING SECURED
COMMITTED FUNDING SOURCES*		
LOCAL		
	\$	
	\$	
FEDERAL		
	\$	
	\$	
STATE		
	\$	
	\$	
PENDING FUNDING SOURCES		
LOCAL		
	\$	
	\$	
FEDERAL		
	\$	
	\$	
STATE		
	\$	
	\$	
APPLICATION TO BE SUBMITTED FROM FUNDING SOURCE		
LOCAL		
	\$	
	\$	
FEDERAL		
	\$	
	\$	
STATE		
	\$	
	\$	

*Notes: * Please attach documentation from funding source(s) of committed funds to the project. ** Add extra sheets if needed. *** For Type of Funding, indicate if it is a loan, grant, or in kind donation, etc.

SECTION IV – QUALIFICATIONS

Answer the following questions to describe your organization, the development and management teams for the proposed project, and explain how your team's qualifications will help carry out the proposed project or program. (If this application is the Microsoft Word version, the space for responses to each question will expand as needed. If using the PDF format, provide additional sheets as needed.)

- (a) **Affordable Housing Experience:** Summarize the organization's experience in the development and management of affordable housing. List previous affordable housing projects that are similar to the proposed project and have been developed by the organization; include project name, location, number of units, and year of completion.

The Housing Authority of the County of Santa Cruz has owned and managed over 250 affordable housing units throughout Santa Cruz County for decades. Additionally, the agency recently completed developing a 20-unit affordable housing complex on the west side of the City of Santa Cruz.

The agency has also managed the local Housing Choice Voucher Program since 1969, with over 5,500 participants and 1,900 landlord partners. Given the expertise of its staff in rental assistance programs, the agency is uniquely positioned to effectively manage this HOME TBRA program.

- (b) **Project Management:** List all key development team members and summarize their qualifications and relevant experience with affordable housing projects, listing specific projects with the team member's role in developing the project, the project's name, location, size, development budget, and the year of completion. (Additional Sheets may be used.)

Jenny Panetta, Executive Director. Jenny has worked for the agency for over 20 years and has been the Executive Director since 2016. Jenny manages the organizing, staffing, and policymaking of the agency in every capacity. Jenny has had hands-on experience guiding numerous affordable housing programs for thousands of participants.

Tom Graham, Deputy Executive Director. Tom has over 15 years of directorial experience managing affordable housing programs in his various roles for multiple public agencies in Massachusetts and California.

Rayne Perez, Principal Management Analyst. Rayne has over two decades of experience managing homelessness and affordable housing rental programs for families in Santa Cruz County. Some of Rayne's work includes overseeing the agency's Special Purpose Voucher Programs, Moving to Work Program, and coordinating with the local CoC and jurisdictions on other homelessness programs.

Eric C. Johnson, Senior Analyst. Some of Eric's recent work has included expansion of the Housing Authority's Project-Based Voucher Program and Moving to Work Program.

All staff identified have worked closely on the closeout of the EHV Program and identifying continued housing options for the families.

- (c) Operations Management: Identify the management firm that will be responsible for the project once it is complete, providing a list the firm's relevant experience, including the name and size of project plus any similarities that relate to the proposed project. (Additional Sheets may be used.)

See (b) Project Management.

- (d) Project Management: Identify any project management approach or operational management approach methodology that might be considered unique.

The Housing Authority manages the local Housing Choice Voucher and Project-Based Voucher Programs with over 5,500 participants and 1,900 landlord partners. The Housing Authority has a dedicated staff that are well-versed in rental assistance programs and is uniquely positioned to manage a HOME TBRA program.

SECTION V – DISCLOSURES CHECKLIST

Please attach the following information to this section. Place a checkmark in the appropriate box to indicate that the information has been provided.

ORGANIZATIONAL STRUCTURE

- ☒ 1. **Charter or mission statement of applicant.** Include length of time organization has been in operation. Describe organization's capabilities and characteristics of clients served.
- ☒ 2. **Documentation of non-profit status.** Include state and federal tax-exempt determination letters.
- ☒ 3. **Articles of Incorporation.**
- ☒ 4. **Applicant's by-laws.**
- ☒ 5. **Board of Directors.** Provide names, addresses, occupations, and phone numbers of current Board of Directors. Include position/title on Board.
- ☒ 6. **Organizational chart.** List current employees and job titles. Identify gender and ethnicity. Indicate which positions will implement the proposed program or project.
- ☒ 7. **Personnel policies and procedures.** Information provided should specify:
 - a. Method of vacation and sick leave accumulation.
 - b. List of paid holidays.
 - c. Number of hours that make up the workweek.
 - d. Hours when open to the public.
 - e. Hiring procedures and affirmative action policy and plan.
- ☒ 8. **Documentation of Employer Status.** Provide federal and state employer identification numbers.
- ☒ 9. **Authorized Officials.** Designate official authorized to enter into contracts. Identify all personnel with signatory powers.

FINANCIAL MANAGEMENT CAPACITY

- ☒ 1. **Resume of Chief Program Administrator**
- ☒ 2. **Resume of Chief Fiscal Officer.**
- ☒ 3. **Organizational Budget.** Complete Exhibit A identifying all revenues and expenses pertaining to the organization's overall operating budget and commitments for on-going funding.
- ☒ 4. **Fiscal Management.** Describe fiscal management policies and procedures including financial reports, record keeping, accounting systems, payment procedures etc. Describe financial oversight by Board. Identify and describe any audit findings, investigations, or probation by any agency in the past two years.
- ☒ 5. **Audit.** Provide most recent audit or financial statement. Successful applicants receiving over \$25,000 in HCD funds are required to conduct and submit an audit for the fiscal year in which they receive funds.

ADDITIONAL CHDO ONLY REQUIREMENTS (Exhibits B and C available upon request)

- ☐ 1. **Qualifications.** Complete Exhibit B documenting qualifications for CHDO status.
- ☐ 2. **Low-Income Community Representation Certificate.** Complete Exhibit C, certifying organization meets minimum federal requirements for a CHDO.

SECTION V – EXHIBIT A CURRENT ORGANIZATIONAL BUDGET
--

Organization's Name: _____

SOURCE/EXPENSE		PAST YEAR	CURRENT YEAR	PROPOSED
Revenue	City	\$	\$	\$
	County	\$	\$	\$
	State	\$	\$	\$
	Federal	\$	\$	\$
	Fees charged	\$	\$	\$
	Fundraising	\$	\$	\$
	Donations	\$	\$	\$
	Other (<i>explain</i>)	\$	\$	\$
<hr/>				
Total Revenue		\$	\$	\$
Expenses	Salaries	\$	\$	\$
	Benefits	\$	\$	\$
	Insurance	\$	\$	\$
	Audit	\$	\$	\$
	Rent	\$	\$	\$
	Utilities	\$	\$	\$
	Consultants	\$	\$	\$
	Travel	\$	\$	\$
	Office supplies	\$	\$	\$
	Equipment	\$	\$	\$
	Printing	\$	\$	\$
<hr/>				
Total Expenses		\$	\$	\$
<hr/>				
Revenue less Expenses		\$	\$	\$

SECTION VI – CERTIFICATIONS CHECKLIST

Please complete and attach the following exhibits. Place a checkmark in the appropriate box to indicate that the information has been provided. If your application is submitted electronically, you must submit these pages separately with original signatures.

- ☒ **A. Certification of Application.** Certification of Organization's Board approval.

- ☒ **B. Certification of Affiliation.** List the names and positions of members of the Board of Directors, officers, workers, or members of the organization who are appointed members of a City Council, Commission or Committee or a City employee.

- ☒ **C. Compliance with Civil Rights Act and Americans with Disabilities Act.**

<p style="text-align: center;">SECTION VI – EXHIBIT A CERTIFICATION OF APPLICATION</p>
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The Board of Directors of the Housing Authority of the County of Santa Cruz does hereby resolve that on _____ (*date*) the Board reviewed the Application for HOME Funds to be submitted to the City of Santa Cruz Housing and Community Development Program for funding consideration for the fiscal year _____, and in a proper motion and vote approved this application for submission.

The Board further certifies that the organization making this application is 1) non-profit, 2) tax-exempt, 3) incorporated in the State of California, and has complied with all applicable laws and regulations pertaining to same.

The Housing Authority of the County of Santa Cruz hereby proposes to provide the services or project identified in the Scope of Services in accordance with this Application for HOME Funds and with the City of Santa Cruz Housing and Community Development Policies and Procedures Manual. If this application is approved and this organization receives HCD funding from the City of Santa Cruz, it is agreed that all relevant federal, state and local regulations, and other assurances as required by the City will be adhered to. Furthermore, as the duly authorized representative of the organization, I certify that the organization is fully capable of fulfilling its obligation under this application as stated herein.

I further certify that this application and the information contained herein are true and correct and complete.

President, Board of Directors

Date

**SECTION VI – EXHIBIT B
CERTIFICATION OF AFFILIATION**

- ☒ Place an "X" in the box if NO members of the Board of Directors, officers, workers, or members of the organization are an elected member of the City Council; appointed member of a City Commission or Committee; or a City employee. (If not checked, fill in list below.)

The following is a list of the names and positions of members of the Board of Directors, officers, workers, or members of the organization who are an elected member of the City Council; an appointed member of a City Commission or Committee; or a City employee.

NAME	AFFILIATION WITH CITY	POSITION IN ORGANIZATION

I certify that the proceeding statements and information are accurate.

President, Board of Directors

Date

<p style="text-align: center;">SECTION VI - EXHIBIT C COMPLIANCE WITH CIVIL RIGHTS ACT AND AMERICANS WITH DISABILITIES ACT</p>

The Housing Authority of the County of Santa Cruz certifies that it prohibits discrimination in accordance with Title VI of the Civil Rights Act of 1964. Written documents outlining this organization's non-discrimination policy are on file and available for review.

It is further certified that this organization has reviewed its projects, programs, and services for compliance with all applicable regulations contained in the Americans with Disabilities Act of 1990. Written documentation concerning this review and corrective actions taken (if any) are on file and available for review.

President, Board of Directors

Date

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

Established in 1969, the Housing Authority of the County of Santa Cruz (HACSC) is an independent public agency that annually distributes over \$125 million in rental assistance, partnering with more than 1,900 landlords to support 5,500 low-income families in our community

The largest programs operated by HACSC are the Housing Choice Voucher and Project-Based Voucher Programs, which are federally funded rental assistance programs. The Housing Choice Voucher Program allows participants to use the voucher for rental assistance in a unit of their choice, and the Project-Based Voucher Program provides deep subsidy to program participants while also helping to support the development and longevity of affordable housing projects.

The Housing Authority and its nonprofit affiliate also own and operate over 250 units of affordable rental housing throughout Santa Cruz County.

The agency has a staff of around 60 that is well-versed in affordable housing rental assistance programs and completes thousands of transactions every year. Further, the Housing Authority was awarded Moving to Work status in 2022, a major designation held by only a select number of housing authorities nationwide. As such, the agency is positioned to effectively manage a HOME-funded tenant-based rental assistance program.

The Housing Authority of the County of Santa is an independent public entity and is therefore not-for-profit and tax-exempt by nature.

The Housing Authority of the County of Santa Cruz is not a corporation and therefore does not have articles of incorporation.

BYLAWS OF
THE HOUSING AUTHORITY
OF THE COUNTY OF SANTA CRUZ

ARTICLE I – THE HOUSING AUTHORITY

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

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

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

ARTICLE II – BOARD OF COMMISSIONERS AND BOARD COMPENSATION

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

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

ARTICLE III - OFFICERS

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

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

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

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

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

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

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

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

Section 7. Vacancies. Should the offices of Chair or Vice Chair become vacant, the Authority Board of Commissioners shall appoint a successor from its membership at the next regular meeting, and such appointment shall be for the unexpired term of said office. The Commissioner next in line for the position based on the rotation of officers in Section 9 shall be automatically appointed, unless they decline the position, in which case it shall continue based on the predefined rotation until a Commissioner accepts the position.

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

Commissioners adopted budget and the laws of the State of California, to the Executive Director.

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

At the conclusion of the term for the Chair, the Chair shall step down from the position. The Vice Chair shall automatically assume the role of Chair. Following the promotion of the Vice Chair to the position of Chair, the Board shall automatically appoint a new Vice Chair from among the Commissioners, according to the rotation listed below.

Commissioners may decline to serve as either Chair or Vice Chair at any time. This includes the option to decline at any point during their tenure, including at the point of appointment. If a Commissioner declines appointment for the Chair or Vice Chair position, the next Commissioner listed in the sequence established below shall be appointed until a Commissioner accepts the position.

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

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

ARTICLE IV – MEETINGS

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

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

Section 3. Special Meetings. The Chair of the Board of Commissioners may, when they deem it warranted, and shall, upon the written request of a majority of Commissioners, call a special meeting of the Authority for the purpose of transacting any business designated in the notice of the special meeting. The written notice for a special meeting shall be delivered to each Commissioner and to each local newspaper of general

circulation and radio or television station requesting notice in writing and posted on the Authority's internet website. The notice shall be delivered personally or by any other means and shall be received at least 48 hours before the time of the meeting as specified in the notice. The call and notice for a special meeting shall be posted at least forty-eight hours prior to the special meeting in a location that is freely accessible to members of the public. At such special meetings no business shall be considered other than as designated in the call.

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

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

1. Chair
2. Vice-Chair

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

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

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

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

1. Roll Call
2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda
4. Oral Communication
5. Unfinished business
6. New Business
7. Written Correspondence
8. Report of Executive Director
9. Report from Board Commissioners
10. Closed session (if needed)
11. Report on closed session (if needed)
12. Adjournment

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

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

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

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

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

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

ARTICLE V. - COMMUNICATIONS

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

Section 2. Identification of Persons and/or Positions Authorized to Change Website. The Executive Director, and their designee(s), are authorized to approve the initial

composition and subsequent changes of substantive content to the Authority website. Changes of substantive content by other persons or positions shall require prior approval by the Executive Director.

ARTICLE VI – FINANCIAL PROCEDURES

Section 1. Line Item Budget. The Board shall approve an annual line item budget detailing the expenditures intended for the upcoming year. Financial actions consistent with the budget are authorized to be performed by the Executive Director in conformance with the warrant procedure.

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

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

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

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

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

ARTICLE VII – SIGNATURES ON INSTRUMENTS

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

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

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

ARTICLE VIII – RECORDS RETENTION

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

ARTICLE IX – AMENDMENTS

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

- Providence Martinez Alaniz, Chairperson
Occupation: Advocate
- Annette Melendrez, Vice-Chairperson
Occupation: Director of Programs
- Carol Berg, Commissioner
Occupation: Retired
- Ligaya Eligio, Commissioner
Occupation: Retired
- Silvia Morales, Commissioner
Occupation: Executive Director
- Andy Schiffrin, Commissioner
Occupation: Retired
- Richard Schmale, Commissioner
Occupation: Retired

- Contact:

2160 41st Avenue

Capitola, CA 95010

(831)454-5901

housing@hacosantacruz.org

AGENDA ITEM SUMMARY

MEETING DATE: January 28, 2026

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: Housing Authority Project Based Voucher Program – FY 2026 Quarter 2 Report

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

The Board of Commissioners directed staff to provide quarterly reports on the Project-Based Voucher (PBV) Program, including information about the number of projects in various stages of the PBV pipeline, as well as projects that are completed and under a Housing Assistance Payments (HAP) Contract. The FY2026 second quarter report is attached. The report includes key milestones, deadlines, and details about each project.

The report on PBV projects is separated into three key phases, with a separate table for each phase.

1. **Conditional Award of Vouchers:** The first table includes a list of projects that have been conditionally awarded vouchers. This includes new construction projects that have not yet executed an Agreement to Enter into a HAP Contract (AHAP) or are existing housing projects that have not yet executed a HAP Contract. This section includes the original date of conditional award, the deadline for execution of the AHAP, and any extensions to the AHAP deadline that the project has requested or received pursuant to the Housing Authority's PBV rescission policy. The report will also include the status of the environmental review (ER) and subsidy layering review (SLR), which must be completed prior to execution of the AHAP. Existing housing projects do not need to complete ER or SLR requirements.
2. **Projects under an AHAP:** The second table lists projects for which an Agreement to Enter into a HAP Contract (AHAP) is in place, and the project is either actively under construction or construction is on hold. The report on projects under an AHAP includes the date of conditional award and, from the AHAP itself, the date of AHAP execution, date of commencement of work, and date for completion of the work. The report will include the date(s) of any AHAP amendments previously executed to extend the deadline for completion of the work.
3. **Projects Under a HAP Contract:** The final table lists completed projects, for which a HAP Contract is in place. These projects are either stably occupied or in the process

of initial lease-up. The report on projects under HAP includes the date the HAP Contract was entered into, and the term of the HAP Contract.

RECOMMENDATION: Receive Report

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

1. Projects with Conditional Awards (Not Under an AHAP)

Project Number	Project Name	Address	Original Conditional Award Date	Total Number of Units	Number of PBVs	Deadline to Execute AHAP	AHAP Deadline Extension Request #1	AHAP Deadline Extension Request #2	Environmental Review Status	Subsidy Layering Review (SLR) Status	Building Permit Status
1	West of Fairview	Mimosa Street & Union Road, Hollister CA 95023	3/3/2023	100	40	3/2/2025	Approved – 09/26/2025	Approved – 03/26/2026	Clearance received - 4/8/2024	Pending submission	Anticipated July 2026
2	Baler Place	340 Bridgevale Dr, Hollister, CA 92117	2/7/2024	54	25	2/6/2026	Approved – 08/06/2026	N/A	In progress	Pending submission	Anticipated May 2026
3	Capitola Manor	1098 38th Ave, Capitola, CA 95010	2/9/2024	52	25	2/8/2026	N/A	N/A	Clearance received - 09/03/2024	Pending submission	Pending receipt
4	Pinnacle Pass	75 Mount Hermon Rd, Scotts Valley, CA 95066	4/30/2024	40	25	4/30/2026	N/A	N/A	Clearance received - 07/31/2025	Pending submission	Anticipated May 2026
5	Banana Belt Apartments	917, 919, 923 Water Street, Santa Cruz, CA 95062	5/23/2024	60	25	5/23/2026	N/A	N/A	Clearance received – 04/25/2025	Pending submission	Anticipated January 2026
6	150 Felker Street	150 Felker St, Santa Cruz, CA 95060	8/14/2024	44	24	8/14/2026	N/A	N/A	Clearance received - 05/06/2025	Pending submission	Pending receipt
7	525 Water Street	525 Water Street, Santa Cruz, CA 95060	8/14/2024	90	33	8/14/2026	N/A	N/A	Clearance received – 11/17/2025	Preparation in progress	Anticipated March 2026

8	41st & Soquel	2755 & 1831 41st Ave, Soquel, CA 95073	8/14/2024	289	91	8/14/2026	N/A	N/A	Clearance received – 09/30/2024	Pending submission	Anticipated May 2026
9	Watsonville Metro	475 Rodriguez St, Watsonville, CA 95076	8/14/2024	61	20	8/14/2026	N/A	N/A	In progress	Pending submission	Pending receipt
10	136 River Street	136 River Street, Santa Cruz, CA 95060	1/16/2025	51	20	1/16/2027	N/A	N/A	Clearance received – 11/17/2025	Pending submission	Pending receipt
11	Casa Pajaro	127 – 193 East Front St., Watsonville, CA 95076	08/08/2025	34	33	N/A - existing housing	N/A	N/A	N/A - existing housing	N/A - existing housing	N/A - existing housing
TOTAL				875							

2. Projects Under an AHAP

Project Number	Project Name	Address	Total Number of Units	Number of PBVs	AHAP Effective Date	Expected Completion Date	Construction Completion Requirement	Construction Status
1	Park Haven Plaza	2840 Park Avenue, Soquel CA 95073	36	35	10/18/2022	11/30/2026	08/31/2026	Inactive due to funding gap
2	Veterans Village	8705 Hwy 9, Ben Lomond, CA 95005 CA	20	15	12/21/2022	12/31/2027	10/25/2025 (owner will be requesting an extension)	Inactive due to funding gap but funding has been secured and construction is anticipated to restart within a few months

3	Pacific Station North	902, 912, and 920 Pacific Avenue and 423 Front Street, Santa Cruz, CA 95060	128	51	02/20/2024	06/01/2026	12/31/2026	Active
4	Harvey West Studios	119 Coral Street, Santa Cruz, CA 95060	121	60 (and 20 Shelter Plus Care)	05/15/2024	06/01/2026	11/16/2026	Active
5	Downtown Library	119 Lincoln St, Santa Cruz, CA 95060	124	31	04/23/2025	02/01/2028	03/03/2029	Active
6	Westside Village	850 Almar Ave, Santa Cruz, CA 95060	38	25	06/17/2025	12/01/2026	06/16/2028	Active
7	4575 Scotts Valley Drive	4575 Scotts Valley Drive, Scotts Valley, CA 95066	100	40	07/24/2025	08/01/2027	07/23/2028	Active
8	831 Water Street	831 Water Street, Santa Cruz CA 95060	140	64	10/30/2025	03/01/2028	10/29/2028	Active
9	Beverly Gardens	4408 & 4444 Scotts Valley Drive, Scotts Valley, CA 95066	25	24	12/15/2025	06/01/2027	12/14/2028	Active
TOTAL			732	345 PBVs and 20 Shelter Plus Care				

3. Projects Under a HAP Contract

Project Number	Project Name	Address	Total Number of Units	Number of PBVs	HAP Contract Effective Date	HAP Contract Expiration Date
1	El Centro	1110 Pacific Ave, Santa Cruz, CA 95060	45	44	11/1/2014	10/31/2029
2	Emerald Hill Apartments	101 & 102 Civic Center Drive, Scotts Valley, CA 95066	46	7	12/1/2014	11/30/2029
3	San Andreas	295 San Andreas Road, Watsonville, CA 95076	43	5	1/1/2015	12/31/2029
4	Resetar Residential Hotel	15 W. Lake Ave, Watsonville, CA 95076	78	52	6/23/2015	5/31/2030
5	St. Stephens Senior Housing	2510 Soquel Avenue, Santa Cruz, CA 95062	40	39	5/24/2017	4/30/2032
6	Pippin Orchards Apartments	56 Atkinson Lane, Watsonville, CA 95076	41	31	11/15/2018	10/31/2033
7	Water Street Apartments	708 Water St, Santa Cruz, CA 95060	41	33	9/19/2019	8/31/2034
8	Sunrise Senior Apartments	580 Westside Blvd, Hollister, CA 95023	49	48	12/11/2019	12/11/2034
9	Pajaro Valley Shelter Services	110 Kearney Street, 112 Kearney Street, 561 Rodriguez Street, 62 Arista Lane, Watsonville, CA 95076	4	4	6/17/2020	5/31/2035
10	La Playa	216 Leibrandt Ave, Santa Cruz, CA 95060	8	2	5/1/2018	4/30/2038
11	Sycamore Commons	125 Sycamore St, Santa Cruz, CA 95060	60	13	5/1/2018	4/30/2038
12	Woodland Senior Apartments	3050 Dover Dr, Santa Cruz, CA 95065	68	27	3/16/2020	2/29/2040
13	Jardines Del Valle	76 Murphy's Crossing Rd, Watsonville, CA 95076	18	5	3/18/2020	2/29/2040
14	Villas Del Paraiso	340A Pariso Drive, Watsonville, CA 95076	51	15	3/18/2020	2/29/2040
15	Merrill Road Apartments	3201 Merrill Rd, Aptos, CA 95003	15	15	7/1/2023	6/30/2043
16	Bienestar Plaza	1520 - 1550 Capitola Rd, Santa Cruz, CA 95062	65	40	11/13/2023	10/31/2043
17	Tabasa Gardens	1482 Freedom Blvd, Watsonville, CA 95076	53	37	3/26/2024	2/29/2044

18	Cedar Street Family Apartments	538 Cedar Street, Santa Cruz CA 95060	65	8	4/22/2024	3/31/2044
19	LIPH PBVs	Various	234	220	5/1/2024	4/30/2044
20	Pacific Station South	818 Pacific Ave, Santa Cruz, CA 95060	70	47	11/13/2024	11/30/2044
21	Cienega Heights	1515, 1615, 1715 Brewington Ave, Watsonville, CA 95076	80	37	11/18/2024	11/30/2044
22	Sparrow Terrace	139 and 141 Miles Lane, Watsonville CA 95076	72	43	12/20/2024	12/31/2044
23	Natural Bridges Apartments	415 Natural Bridges Drive, Santa Cruz CA 95060	20	20	1/7/2025	1/31/2045
24	Tierra Alta	101 - 114 Tierra Alta Drive, Watsonville, CA 95076	36	33	2/1/2025	2/28/2045
25	Jessie Street	316 Jessie Street, Santa Cruz CA 95060	50	48	3/28/2025	3/31/2045
26	Bluffs at 44 th	4401 Capitola Rd, Capitola, CA 95010	36	25	11/24/2025	11/30/2045
TOTAL			1,388	898		

AGENDA ITEM SUMMARY

MEETING DATE: January 28, 2026

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: Housing Authority Annual Agency Goals – Quarter 2 Report

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Each year, the Housing Authority Board of Commissioners establishes Annual Agency Goals for the upcoming fiscal year. Below are Agency Goals established by the Board for the 2025 - 2026 fiscal year. Housing Authority staff will provide the Board with an update on progress towards these goals on a quarterly basis, with a final report provided at the August 2026 meeting. This report demonstrates the progress on these goals during the first two quarters, half way through the year.

Approved Housing Authority Agency Goals for 2025 - 2026 Fiscal Year

1. Housing Choice Voucher Program:

- a. Balance utilization rate to allow future absorption of Emergency Housing Voucher (EHV) households and Project Based Voucher (PBV) units that become available for occupancy.**

The Housing Authority is actively working to attrition down the Housing Choice Voucher (HCV) Program in order to reduce the likelihood of experiencing a financial shortfall, as well as to make room in the HCV Program for PBVs that will be ready for occupancy this fiscal year, and to absorb as many EHV as possible before funding for that program ends in December 2026. To attrition the program, the Housing Authority has stopped issuing new vouchers to families on the HCV Waiting List, has stopped accepting HCV referrals for special purpose programs, and has temporarily suspended issuing HCV transfer vouchers to PBV participants. In the first half of the fiscal year, the overall program utilization percentage decreased from 99.42% to 98.29%. More information about voucher utilization is presented in item 6A.

- 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.**

At the time that the above goal was established, Agency staff anticipated sufficient funding for the HCV program to allow for the absorption of 130 households. Staff are waiting until a budget is approved by Congress to determine how many (if any) EHV's can be absorbed into the HCV Program. In addition to the goal of transferring EHV households into the HCV program, staff are actively working towards transferring EHV households into the Project Based Voucher (PBV) program or other affordable housing alternatives. The table below details information about how many EHV households are housed, how many are searching, and how many have exited the program (by type of program exit). Since October 1st there have been 14 exits from the EHV program. More information about EHV projections is presented in item 6A.

EHV Participation Status	10/31/25	12/31/25	3/30/26	6/30/26
Baseline EHV Participants as of 10/1/25	272	272		
Currently Housed in EHV Program				
In Jurisdiction	256	247		
Billable Port – Out of Jurisdiction	3	3		
Total Housed in EHV Program	259	250		
Out of Unit Searching with EHV				
In Jurisdiction	6	6		
Billable Port – Out of Jurisdiction	2	2		
Total Searching in EHV Program	8	8		
Program Exits				
Expired Voucher	3	3		
Deceased	1	3		
Program Violation	1	2		
Transfer to PBV	0	6		
Total Program Exits	5	14		
Current EHV Program Participants	267	258		

- c. Reduce the size of the Housing Choice Voucher (HCV) program group to approximately 5,754 households by the end of the FY.**

	Baseline	Q1	Q2	Q3	Q4
HCV Households	5,893	5,875	5,863		
Cumulative change	n/a	-18	-30		

The Housing Authority is actively working to attrition down the Housing Choice Voucher (HCV) Program, as noted in Goal 1a above. Over the first half of the fiscal year, the size of the voucher program reduced by 30 households.

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.**

The Housing Authority completed two significant acquisitions which included 2021 Chanticleer Avenue and 2030 17th Avenue. MTW funds were used for the purchase of 2021 Chanticleer. New Horizons funds were used for the purchase of 2030 17th Avenue to ensure the acquisition could be completed in a timely manner. MTW funding was allocated as gap financing for Natural Bridges to close out remaining development costs for this project. MTW funds were provided to New Horizons in the form of a loan to fully support Chanticleer pre-development expenses which include architecture services, legal, and due diligence. The Housing Authority successfully allocated funds to avoid HUD recapture of reserves and to maximize our baseline calculation for 2026.

- 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.**

Staff have identified one development opportunity to support the agency's goal to gain LIHTC experience. New Horizons has selected MidPen Housing as a development partner for the 2021 Chanticleer project. Staff are currently engaged with MidPen Housing to outline the terms and conditions of the joint development agreement and will present the partnership recommendation to the Board prior to execution. The Co-Development RFQ remains open for proposal from developers, and staff will continue to work with potential development partners on securing a second project that will provide the necessary LIHTC experience to apply for future tax credits for our own 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.**

New Horizons acquired 2021 Chanticleer on August 19, 2025, and 2030 17th Avenue on October 10, 2025. Staff have selected MidPen Housing as co-development partner to provide the necessary LIHTC experience to secure a tax credit award for the project. Staff, with support from the architect 10 Over Studio, presented schematic building

design options to the Board at the December 2025 meeting. Staff continue to work with the architects and MidPen Housing on finalizing the project schedule associated with the timing to submit the LIHTC application and entitlements 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.**

The environmental review for 3501 Portola Drive has been completed. At its meeting on September 24, 2025, the Board of Commissioners directed staff to terminate escrow for the property, citing the substantial estimated cost of environmental remediation required to make the site suitable for housing development.

- e. Support efforts to increase funding for affordable housing development in Santa Cruz County.**

The Housing Authority Board of Commissioners voted to endorse the Santa Cruz Workforce Housing Affordability Act of 2025 (Measure C), which was approved by voters in November 2025. The ballot measure implements a parcel tax and property transfer tax to help fund affordable housing projects, resulting in a significant and ongoing source of local funds for affordable housing. The measure aligns with the Housing Authority’s mission as well as its specific goals related to supporting the development of new affordable housing and increasing funding for affordable housing development in Santa Cruz County.

3. Expand Programs and Services:

- a. Complete year two implementation of two-year plan for expansion of New Horizons Programs and Services.**

Youth Services

Fully Implemented Programs and Services	
Service	Q1 Status
Scholarship Program: Provides scholarships of at least \$1,000 to college-bound high school seniors, continuing college students, and returning students enrolled full or part time at a university, community college, or technical school.	Status: Annual scholarship cycle will open for application in April 2026.

<p>Summer Enrichment Activities: Summer enrichment program for school-aged children (ages 5–17) in households receiving Housing Authority assistance. The program was established through a three-way Memorandum of Understanding (MOU) with County Park Friends and the Santa Cruz County Parks Department. Assisted households receive a grant of up to \$500 towards recreational programs offered through the County of Santa Cruz Parks and Recreation.</p>	<p>Status: During Q2, staff executed an extension of the three-way MOU in preparation for the 2026 program cycle. The annual program is scheduled to launch in January, with grant applications opening in February 2026.</p>
<p>Tutoring Program: New Horizons offers free, high-quality tutoring aimed at supporting academic achievement and student success. Tutoring services are offered across core subject areas, including reading, math, writing, science, and social studies. Services will be delivered primarily online, with in-person support available as needed, and will be offered in both English and Spanish. The program was launched in Fall 2025 as a pilot focused on K–12 students living in Housing Authority properties.</p>	<p>Status: The Tutoring Program launched in August 2025. To date, two students are actively receiving tutoring with an additional 4 enrolled and scheduling services. Due to lower than anticipated participation in the program, staff will be expanding outreach, and expanding program eligibility during Q3. Instead of being limited to youth in HA properties, tutoring will be available to <u>all</u> Housing Authority participants grades K-12.</p>
<p>Backpacks and School Supplies: This initiative provides backpacks and essential school supplies to K–12 students in Housing Authority properties.</p>	<p>Status: The program is scheduled to launch in June, ahead of the 2026–27 school year. Staff are exploring opportunities to expand eligibility to include all Housing Authority program participants.</p>

General Program Population and Family Services

Fully Implemented Programs and Services	
Service	Status & Recommendations
<p>Conflict Resolution Mediation Services: Program offering free mediation services to households participating in Housing Authority programs, and to the landlords renting to Housing Authority participants, offered through contract with the Conflict Resolution Center of Santa Cruz County.</p>	<p>Status: During Q2, the program received three referrals for mediation services involving landlord–tenant and tenant-to-tenant disputes. Two cases were successfully resolved through mediation, and one case remains ongoing.</p>

Security Deposit Gap Assistance: Security deposit assistance program for residents of Housing Authority properties. Assistance may also be made available to other program participants on a case-by-case basis. Program designed to supplement similar programs offered by local jurisdictions, which at times face funding shortfalls or interruptions.	Status: During Q2, New Horizons provided a total of \$5,700 in security deposit assistance, helping 2 households secure stable housing. Combined with Q1, the program has assisted 5 households and provided \$12,000 in deposit assistance.
Loss Mitigation Funds: Owner Assurance Program that offers financial assistance of up to \$5,000 to landlords for tenant-caused damages exceeding the security deposit. The Housing Authority has active contracts with the County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville to partner on the funding for this program, with the first \$2,500 of funding for each claim coming from the jurisdictions, and the remainder being funded through New Horizons.	Status: During Q2, the program processed three claims, resulting in \$9,272 in payments from New Horizons. These were supplemented by an additional \$5,000 in contributions from participating jurisdictions, providing a combined total of \$14,872 in landlord assistance. Combined with Q1, the program has provided 9 landlords with a total of \$23,385 in payments from New Horizons and \$20,000 from participating jurisdictions for a total of \$43,385 in assistance.
Santa Cruz METRO Eco Passes: Program offering free METRO EcoPasses to residents living in Housing Authority properties.	Status: As of Q2, a total of 45 active passes are currently distributed to residents reflecting continued program growth.
Internet Access Assistance: Cruzio partnership which provides free broadband internet access to residents living in Housing Authority–owned and controlled properties. As of FY 24/25, the program is active at seven out of our existing 20 sites, with 124 out of 160 eligible units currently connected.	Status: During Q2, the Housing Authority and Cruzio advanced implementation of the \$653,800 CASF Public Housing Account grant through planning efforts and procurement of required hardware for expanding free internet access to seven additional sites. Service installations are planned for Q3.

Connected Properties			
Property	Units	Subscribed	Utilization Rate
30th	19	11	58%
Portola Dr.	24	12	50%
Crestview	16	10	63%

Arista Ct.	16	10	81%	
Arista Ln.	15	12	80%	
Casa Pajaro	34	30	88%	
Tierra Alta	36	36	100%	
Total	160	121	76%	
Workforce Development: Service which will provide workshops and one-on-one career counseling to help participants explore careers, build job readiness skills, and secure employment.				Status: The program soft-launched in Q2, with services provided under contract by Advanced Employment Group and available to all program participants. Virtual info sessions were held in English and Spanish. To date there are four participants that have enrolled in the program. During Q3, staff plan to expand marketing to partner agencies and continue to promote to program participants.
Planned for Implementation in 2025/2026				
Stakeholder Survey: Biennial survey to evaluate satisfaction with current offerings, assess utilization, and identify any unmet service needs.				Status: During Q2, staff released an RFP for survey research services and plan to enter into a contract in Q3, with survey results anticipated in Q4.
Financial Workshops & Coaching: Service designed to equip participants with essential financial knowledge and tools. A recent Request for Proposals (RFP) during FY 2024/25 for financial workshops and coaching did not result in a contract award. However, the Housing Authority remains committed to offering financial education opportunities. Staff are currently exploring a partnership with a financial institution that has a proven track record in delivering financial literacy workshops and asset-building strategies.				Status: Staff are exploring partnerships with local nonprofit organizations and banking institutions to deliver workshops focused on financial literacy and asset building.

Senior Services

Fully Implemented Programs and Services	
Service	Status & Recommendations
Project: Silver Bells: Project Silver Bells is a seasonal initiative that provides holiday care packages and greeting cards to senior residents	Status: Staff delivered 166 care packages in December prior to the holidays.

living in Housing Authority properties. The packages are thoughtfully assembled and personally delivered by Housing Authority staff, fostering community connection and holiday cheer.	
Senior Services Fair: This program hosts small-scale senior service events that connect residents with local providers offering senior-focused benefits and services. These events serve as an opportunity for community partners to share resources and engage directly with seniors.	Status: The first of two annual Senior Services Fairs was held on October 3 at the Watsonville Civic Plaza Community Room, with 96 participants in attendance. A second fair is scheduled for February 27 at the London Nelson Community Center in Santa Cruz.
Planned for Implementation in 2025/2026	
Senior Support Services: Senior Support Services Program intended to provide critical assistance including case management, access to public benefits, Medicare support, and in-home services for seniors residing in Housing Authority properties or HCV participants experiencing extreme hardship.	Status: The initial Services RFP did not yield proposals that included senior-specific support services. A revised RFP is planned for release in Q3, with services expected to begin in Q4.

4. Improve Agency and Program Management:

a. Reopen Housing Choice Voucher waiting list

Although staff had planned to reopen the Housing Choice Voucher (HCV) waiting list in the 25/26 fiscal year, those plans are currently on hold due to anticipated funding cuts to the HCV program, as well as the discontinuation of the Emergency Housing Voucher (EHV) program. At this time, the Housing Authority does not have sufficient funding to issue new vouchers, and any available funding for rental assistance for the foreseeable future will be prioritized for preserving the rental assistance of families with an EHV. Therefore, re-opening the HCV waiting list will depend on receiving sufficient funding to add new households to the program.

b. Expand training and professional development opportunities for staff to promote diversity and representation at supervisorial and management levels within the Agency:

- 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.

The tuition reimbursement program has been approved by the Board and implemented to staff. This program is designed to encourage employees to pursue educational opportunities that enhance professional skills, support career growth, and strengthen the Housing Authority by fostering a more knowledgeable workforce. The program provides reimbursement of up to \$3,000 per employee annually. Currently one staff member is utilizing the program in pursuit of a master's degree.

- 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.**

In response to feedback from discussion groups, staff have developed and implemented a gamified training and development program called the HOUSER program. The HOUSER Program is a yearlong learning and engagement effort designed to strengthen connection to our mission, community, and to each other. The program is built around six pillars that reflect the core of our work:

- Heart of Housing
- Opportunities in Housing
- Understanding Communities
- Serving Communities
- Equity in Housing
- Rights in Housing

Housing Authority employees can choose activities and trainings within each pillar, and earn points in for all activities and trainings completed. Once a staff member reaches 50 points in every pillar, they become a Recognized HOUSER and will receive a certificate, a set of Housing Authority swag, their choice of an iPad or Chromebook, and attendance at a national NAHRO conference. The program runs each year from January 1 through November 15. Participation is voluntary and open to all Housing Authority staff.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA ITEM SUMMARY

MEETING DATE: January 28, 2026

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: Housing Authority Annual Agency Goals – Quarter 2 Report

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Each year, the Housing Authority Board of Commissioners establishes Annual Agency Goals for the upcoming fiscal year. Below are Agency Goals established by the Board for the 2025 - 2026 fiscal year. Housing Authority staff will provide the Board with an update on progress towards these goals on a quarterly basis, with a final report provided at the August 2026 meeting. This report demonstrates the progress on these goals during the first two quarters, half way through the year.

Approved Housing Authority Agency Goals for 2025 - 2026 Fiscal Year

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Baseline EHV Participants as of 10/1/25	272	272		
Currently Housed in EHV Program				
In Jurisdiction	256	247		
Billable Port – Out of Jurisdiction	3	3		
Total Housed in EHV Program	259	250		
Out of Unit Searching with EHV				
In Jurisdiction	6	6		
Billable Port – Out of Jurisdiction	2	2		
Total Searching in EHV Program	8	8		
Program Exits				
Expired Voucher	3	3		
Deceased	1	3		
Program Violation	1	2		
Transfer to PBV	0	6		
Total Program Exits	5	14		
Current EHV Program Participants	267	258		

- c. Reduce the size of the Housing Choice Voucher (HCV) program group to approximately 5,754 households by the end of the FY.**

	Baseline	Q1	Q2	Q3	Q4
HCV Households	5,893	5,875	5,863		
Cumulative change	n/a	-18	-30		

The Housing Authority is actively working to attrition down the Housing Choice Voucher (HCV) Program, as noted in Goal 1a above. Over the first half of the fiscal year, the size of the voucher program reduced by 30 households.

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.**

The Housing Authority completed two significant acquisitions which included 2021 Chanticleer Avenue and 2030 17th Avenue. MTW funds were used for the purchase of 2021 Chanticleer. New Horizons funds were used for the purchase of 2030 17th Avenue to ensure the acquisition could be completed in a timely manner. MTW funding was allocated as gap financing for Natural Bridges to close out remaining development costs for this project. MTW funds were provided to New Horizons in the form of a loan to fully support Chanticleer pre-development expenses which include architecture services, legal, and due diligence. The Housing Authority successfully allocated funds to avoid HUD recapture of reserves and to maximize our baseline calculation for 2026.

- 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.**

Staff have identified one development opportunity to support the agency's goal to gain LIHTC experience. New Horizons has selected MidPen Housing as a development partner for the 2021 Chanticleer project. Staff are currently engaged with MidPen Housing to outline the terms and conditions of the joint development agreement and will present the partnership recommendation to the Board prior to execution. The Co-Development RFQ remains open for proposal from developers, and staff will continue to work with potential development partners on securing a second project that will provide the necessary LIHTC experience to apply for future tax credits for our own 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.**

New Horizons acquired 2021 Chanticleer on August 19, 2025, and 2030 17th Avenue on October 10, 2025. Staff have selected MidPen Housing as co-development partner to provide the necessary LIHTC experience to secure a tax credit award for the project. Staff, with support from the architect 10 Over Studio, presented schematic building

design options to the Board at the December 2025 meeting. Staff continue to work with the architects and MidPen Housing on finalizing the project schedule associated with the timing to submit the LIHTC application and entitlements 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.**

The environmental review for 3501 Portola Drive has been completed. At its meeting on September 24, 2025, the Board of Commissioners directed staff to terminate escrow for the property, citing the substantial estimated cost of environmental remediation required to make the site suitable for housing development.

- e. Support efforts to increase funding for affordable housing development in Santa Cruz County.**

The Housing Authority Board of Commissioners voted to endorse the Santa Cruz Workforce Housing Affordability Act of 2025 (Measure C), which was approved by voters in November 2025. The ballot measure implements a parcel tax and property transfer tax to help fund affordable housing projects, resulting in a significant and ongoing source of local funds for affordable housing. The measure aligns with the Housing Authority’s mission as well as its specific goals related to supporting the development of new affordable housing and increasing funding for affordable housing development in Santa Cruz County.

3. Expand Programs and Services:

- a. Complete year two implementation of two-year plan for expansion of New Horizons Programs and Services.**

Youth Services

Fully Implemented Programs and Services	
Service	Q1 Status
Scholarship Program: Provides scholarships of at least \$1,000 to college-bound high school seniors, continuing college students, and returning students enrolled full or part time at a university, community college, or technical school.	Status: Annual scholarship cycle will open for application in April 2026.

<p>Summer Enrichment Activities: Summer enrichment program for school-aged children (ages 5–17) in households receiving Housing Authority assistance. The program was established through a three-way Memorandum of Understanding (MOU) with County Park Friends and the Santa Cruz County Parks Department. Assisted households receive a grant of up to \$500 towards recreational programs offered through the County of Santa Cruz Parks and Recreation.</p>	<p>Status: During Q2, staff executed an extension of the three-way MOU in preparation for the 2026 program cycle. The annual program is scheduled to launch in January, with grant applications opening in February 2026.</p>
<p>Tutoring Program: New Horizons offers free, high-quality tutoring aimed at supporting academic achievement and student success. Tutoring services are offered across core subject areas, including reading, math, writing, science, and social studies. Services will be delivered primarily online, with in-person support available as needed, and will be offered in both English and Spanish. The program was launched in Fall 2025 as a pilot focused on K–12 students living in Housing Authority properties.</p>	<p>Status: The Tutoring Program launched in August 2025. To date, two students are actively receiving tutoring with an additional 4 enrolled and scheduling services. Due to lower than anticipated participation in the program, staff will be expanding outreach, and expanding program eligibility during Q3. Instead of being limited to youth in HA properties, tutoring will be available to <u>all</u> Housing Authority participants grades K-12.</p>
<p>Backpacks and School Supplies: This initiative provides backpacks and essential school supplies to K–12 students in Housing Authority properties.</p>	<p>Status: The program is scheduled to launch in June, ahead of the 2026–27 school year. Staff are exploring opportunities to expand eligibility to include all Housing Authority program participants.</p>

General Program Population and Family Services

Fully Implemented Programs and Services	
Service	Status & Recommendations
<p>Conflict Resolution Mediation Services: Program offering free mediation services to households participating in Housing Authority programs, and to the landlords renting to Housing Authority participants, offered through contract with the Conflict Resolution Center of Santa Cruz County.</p>	<p>Status: During Q2, the program received three referrals for mediation services involving landlord–tenant and tenant-to-tenant disputes. Two cases were successfully resolved through mediation, and one case remains ongoing.</p>

Security Deposit Gap Assistance: Security deposit assistance program for residents of Housing Authority properties. Assistance may also be made available to other program participants on a case-by-case basis. Program designed to supplement similar programs offered by local jurisdictions, which at times face funding shortfalls or interruptions.	Status: During Q2, New Horizons provided a total of \$5,700 in security deposit assistance, helping 2 households secure stable housing. Combined with Q1, the program has assisted 5 households and provided \$12,000 in deposit assistance.
Loss Mitigation Funds: Owner Assurance Program that offers financial assistance of up to \$5,000 to landlords for tenant-caused damages exceeding the security deposit. The Housing Authority has active contracts with the County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville to partner on the funding for this program, with the first \$2,500 of funding for each claim coming from the jurisdictions, and the remainder being funded through New Horizons.	Status: During Q2, the program processed three claims, resulting in \$9,272 in payments from New Horizons. These were supplemented by an additional \$5,000 in contributions from participating jurisdictions, providing a combined total of \$14,872 in landlord assistance. Combined with Q1, the program has provided 9 landlords with a total of \$23,385 in payments from New Horizons and \$20,000 from participating jurisdictions for a total of \$43,385 in assistance.
Santa Cruz METRO Eco Passes: Program offering free METRO EcoPasses to residents living in Housing Authority properties.	Status: As of Q2, a total of 45 active passes are currently distributed to residents reflecting continued program growth.
Internet Access Assistance: Cruzio partnership which provides free broadband internet access to residents living in Housing Authority–owned and controlled properties. As of FY 24/25, the program is active at seven out of our existing 20 sites, with 124 out of 160 eligible units currently connected.	Status: During Q2, the Housing Authority and Cruzio advanced implementation of the \$653,800 CASF Public Housing Account grant through planning efforts and procurement of required hardware for expanding free internet access to seven additional sites. Service installations are planned for Q3.

Connected Properties			
Property	Units	Subscribed	Utilization Rate
30th	19	11	58%
Portola Dr.	24	12	50%
Crestview	16	10	63%

Arista Ct.	16	10	81%	
Arista Ln.	15	12	80%	
Casa Pajaro	34	30	88%	
Tierra Alta	36	36	100%	
Total	160	121	76%	
Workforce Development: Service which will provide workshops and one-on-one career counseling to help participants explore careers, build job readiness skills, and secure employment.				Status: The program soft-launched in Q2, with services provided under contract by Advanced Employment Group and available to all program participants. Virtual info sessions were held in English and Spanish. To date there are four participants that have enrolled in the program. During Q3, staff plan to expand marketing to partner agencies and continue to promote to program participants.
Planned for Implementation in 2025/2026				
Stakeholder Survey: Biennial survey to evaluate satisfaction with current offerings, assess utilization, and identify any unmet service needs.				Status: During Q2, staff released an RFP for survey research services and plan to enter into a contract in Q3, with survey results anticipated in Q4.
Financial Workshops & Coaching: Service designed to equip participants with essential financial knowledge and tools. A recent Request for Proposals (RFP) during FY 2024/25 for financial workshops and coaching did not result in a contract award. However, the Housing Authority remains committed to offering financial education opportunities. Staff are currently exploring a partnership with a financial institution that has a proven track record in delivering financial literacy workshops and asset-building strategies.				Status: Staff are exploring partnerships with local nonprofit organizations and banking institutions to deliver workshops focused on financial literacy and asset building.

Senior Services

Fully Implemented Programs and Services	
Service	Status & Recommendations
Project: Silver Bells: Project Silver Bells is a seasonal initiative that provides holiday care packages and greeting cards to senior residents	Status: Staff delivered 166 care packages in December prior to the holidays.

living in Housing Authority properties. The packages are thoughtfully assembled and personally delivered by Housing Authority staff, fostering community connection and holiday cheer.	
Senior Services Fair: This program hosts small-scale senior service events that connect residents with local providers offering senior-focused benefits and services. These events serve as an opportunity for community partners to share resources and engage directly with seniors.	Status: The first of two annual Senior Services Fairs was held on October 3 at the Watsonville Civic Plaza Community Room, with 96 participants in attendance. A second fair is scheduled for February 27 at the London Nelson Community Center in Santa Cruz.
Planned for Implementation in 2025/2026	
Senior Support Services: Senior Support Services Program intended to provide critical assistance including case management, access to public benefits, Medicare support, and in-home services for seniors residing in Housing Authority properties or HCV participants experiencing extreme hardship.	Status: The initial Services RFP did not yield proposals that included senior-specific support services. A revised RFP is planned for release in Q3, with services expected to begin in Q4.

4. Improve Agency and Program Management:

a. Reopen Housing Choice Voucher waiting list

Although staff had planned to reopen the Housing Choice Voucher (HCV) waiting list in the 25/26 fiscal year, those plans are currently on hold due to anticipated funding cuts to the HCV program, as well as the discontinuation of the Emergency Housing Voucher (EHV) program. At this time, the Housing Authority does not have sufficient funding to issue new vouchers, and any available funding for rental assistance for the foreseeable future will be prioritized for preserving the rental assistance of families with an EHV. Therefore, re-opening the HCV waiting list will depend on receiving sufficient funding to add new households to the program.

b. Expand training and professional development opportunities for staff to promote diversity and representation at supervisorial and management levels within the Agency:

- 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.

The tuition reimbursement program has been approved by the Board and implemented to staff. This program is designed to encourage employees to pursue educational opportunities that enhance professional skills, support career growth, and strengthen the Housing Authority by fostering a more knowledgeable workforce. The program provides reimbursement of up to \$3,000 per employee annually. Currently one staff member is utilizing the program in pursuit of a master's degree.

- 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.**

In response to feedback from discussion groups, staff have developed and implemented a gamified training and development program called the HOUSER program. The HOUSER Program is a yearlong learning and engagement effort designed to strengthen connection to our mission, community, and to each other. The program is built around six pillars that reflect the core of our work:

- Heart of Housing
- Opportunities in Housing
- Understanding Communities
- Serving Communities
- Equity in Housing
- Rights in Housing

Housing Authority employees can choose activities and trainings within each pillar, and earn points in for all activities and trainings completed. Once a staff member reaches 50 points in every pillar, they become a Recognized HOUSER and will receive a certificate, a set of Housing Authority swag, their choice of an iPad or Chromebook, and attendance at a national NAHRO conference. The program runs each year from January 1 through November 15. Participation is voluntary and open to all Housing Authority staff.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA ITEM SUMMARY

MEETING DATE: January 28, 2026

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Section 8 Housing Choice Voucher Program: Voucher and Funding Utilization

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

The Housing Authority operates the Section 8 Housing Choice Voucher (HCV) Program, Project Based Voucher Program, and other voucher based special programs within many programmatic and budgetary limitations. The following report summarizes voucher and funding utilization for CY 2025, as well as goals and strategies for CY 2026.

Housing Choice Voucher Program

Voucher utilization - HUD has established the maximum number of vouchers that any PHA can administer through an Annual Contributions Contract (ACC). Although PHAs occasionally have an opportunity to increase the number of vouchers we may administer through a competitive grant application process, and HUD occasionally issues “fair share” general purpose vouchers based on population size or other factors, for the most part, the number of vouchers we may administer is static. As of the end of 2025, the number of vouchers in our Housing Choice Voucher ACC, including all Housing Choice Voucher funded programs was 5,965. Voucher utilization measures the percentage of available vouchers that are currently in use, or “leased up” with a family receiving rental assistance.

Funding utilization – Historically, HUD establishes a PHA’s HCV budget by using the prior calendar year spending as a baseline. If funding is not sufficient to cover renewal of all vouchers nationally, HUD may “prorate” that baseline funding. Additionally, an inflation factor is applied to each agency’s HCV budget. The inflation factor has historically been based primarily on increases to FMR. Therefore, our annual budget for any given year is our prior year spending (including spending for all MTW eligible activities, such as rental assistance payments and eligible development expenditures), after being reduced by any proration factor, and increased by any inflation factor. If a PHA does not expend the entire budget, the unspent funds will roll over to the following year, subject to a threshold for recapture.

For MTW expansion agencies, there is an additional limit imposed on the funding calculation to ensure the MTW renewal funding does not exceed the funding level that would’ve been provided without the agency’s MTW designation. As a result, each year the HCV renewal funding budget is calculated by HUD based on the lower of either (1) the calculation described above, or (2) HAP Renewal Eligibility Cap, which applies a cumulative RFIF to our pre-MTW HAP expenses to estimate what our spending level would have been as a non-MTW agency. In this way, HUD is preventing development spending from having an undue influence on budget authority for MTW expansion agencies.

The addition of the ‘lower of’ calculation presents a situation in which additional calendar year expenses may not increase the subsequent baseline funding, and the Housing Authority may determine it is more financially advantageous for these funds to be rolled into the following year as MTW reserves. However, when the Housing Authority accumulates MTW reserve balances, it is important to ensure the balance does not exceed the HUD recapture threshold since excess funds are recaptured by HUD.

The agency’s total available funding is the annual budget plus any program reserves from prior years. For CY 2025, the annual HCV budget was \$161,188,761 and the reserve funding was \$892,262 for a total available funding of \$162,216,015. Funding utilization, which measures the percentage of annual budget and reserves expended, reached 97% for CY 2025. This leaves year-end CY 2025 HCV reserves of roughly \$3,141,199.65, which will roll into CY 2026 funding since it is below HUD’s recapture threshold.

Housing Authority staff work to develop a leasing strategy that makes the best use of the funding we expect to receive, maximizing the number of households assisted, and maximizing the funding utilization, within voucher and funding limitations. There are many factors that influence voucher and funding utilization, with a great deal of uncertainty and volatility among the following factors.

- Fair Market Rent (FMR) and Payment Standards (PS) – Fair Market Rents (FMRs) are established by HUD based primarily on data from the American Community Survey (ACS) as the 40th percentile of gross rents (rent plus utilities) for typical rental units occupied by recent movers in a local housing market. HUD publishes FMRs in October of each year. Most PHAs must establish payment standards within 90% - 110% of the FMR. Our Housing Authority has the flexibility to establish payment standards anywhere between 80% - 120% FMR, based on our MTW designation. While HUDs FMR methodology has improved in recent years, it remains insufficient. Therefore, our Agency has conducted FMR studies at least every other year which have significantly increased FMRs for our jurisdiction. A new FMR study is planned for Spring 2026, to inform October 2026 FMRs.
- Average Housing Assistance Payment (HAP) – When PHAs increase payment standards, the degree to which they will increase the average Housing Assistance Payment (HAP), and therefore increase the cost of the program, is unknown. Often, when payment standards increase, people move to more expensive units, which add additional program costs. Even without payment standard increases, average subsidy costs tend to increase over time. However, these average HAP increases are impacted by the degree to which landlords increase rents, and by the changes in each individual household’s family composition and income. Small changes in average HAP, when multiplied by thousands of families, have a very large impact on the cost of the program.
- Budget – Although PHAs must establish payment standards in October for the following calendar year, Congress does not usually pass a budget in a timely manner. It is typical for PHAs to receive their final funding information for a calendar year in March or even later (several months into that calendar year). While we know our baseline funding prior to information on final funding, we typically do not know the proration or inflation factors. These unknown factors can make a major impact on our budget, and therefore our strategy. Decisions regarding payment standards and voucher issuance strategies must be made based on projections, and information gleaned from industry analysts, and then adjusted periodically throughout the year.

The Housing Authority has not achieved 100% voucher utilization since May 2013, the time of the federal sequestration. The sequestration was a drastic, unexpected, mid-year funding cut, which triggered a series of events that resulted in significant program attrition. For example, funding cuts result in spending cuts, which reduce the following year's baseline budget. Additionally, multiple years of virtually static or even declining FMRs resulted in little to no inflation adjustment as well as payment standards that didn't keep up with rising rents, and this resulted in reduced success rates which compound reductions in program size and budget, perpetuating a downward spiral in utilization.

Fortunately, over the past five years in particular, we have made significant strides in reversing this downward spiral and have steadily increased voucher utilization. Recent successes of multiple subsequent FMR studies (and the associated increases in inflation factors and funding) as well as additions to the project-based voucher program and efforts to increase landlord participation, have resulted in improvements to voucher and funding utilization in recent years. The table below displays voucher utilization information for CY 2025. Over the course of the year, we kept voucher utilization between 97.45% to 99.48%, adding 120 households to the program. Utilization peaked at 99.48% in May 2025, with lease up gradually reducing in the second half of the year, consistent with our goal to free up capacity in the voucher program. **Despite recent reductions in utilization, this utilization rate is *significantly* higher than the national utilization rate of 86% or the statewide utilization rate of 89% (as reported by HUD as of September 2025), despite operating in one of the most expensive and competitive rental markets in the nation.**

2025 Voucher Utilization Summary, Preliminary Data

	ACC	Units Leased	Monthly Voucher Utilization	HAP Expended
January	5,893	5743	97.45%	\$ 12,405,077
February	5,893	5798	98.39%	\$ 12,613,001
March	5,913	5806	98.19%	\$ 12,761,150
April	5,913	5837	98.71%	\$ 12,910,022
May	5,913	5882	99.48%	\$ 13,244,062
June	5,913	5879	99.42%	\$ 13,323,249
July	5,965	5893	98.79%	\$ 13,196,151
August	5,965	5877	98.52%	\$ 13,269,945
September	5,965	5875	98.49%	\$ 13,269,757
October	5,965	5860	98.24%	\$ 13,214,916
November	5,965	5861	98.26%	\$ 13,291,232
December*	5,965	5863	98.29%	\$ 13,257,539
Total				\$ 156,756,101

* December voucher utilization is estimated and subject to change.

Emergency Housing Voucher Program

Background

The Emergency Housing Voucher (EHV) Program was created under the American Rescue Plan (ARP) Act of 2021 to help individuals and families who are homeless, at risk of homelessness, fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking, or who are recently homeless and for whom rental assistance will prevent homelessness or housing instability. The program is administered by the U.S. Department of Housing and Urban Development (HUD) in partnership with local Public Housing Authorities (PHAs) and Continuums of Care (CoCs). The funding originally appropriated by Congress was anticipated by HUD to last through September 30, 2030, with a requirement to use the funds by September 30, 2035.

As the board has discussed in recent months, the costs of the EHV program have exceeded HUD's original projections, and the amount appropriated in the ARP Act is expected to be depleted at the end of 2026. Staff have contacted all families on the EHV program to inform them of the situation regarding funding. The letter to EHV families outlined the following steps that the Housing Authority is taking, with the goal of connecting each EHV household with some form of continued rental assistance before the program ends.

1. Housing Choice Voucher Waiting List and Prioritization for Vouchers

All EHV households have been added to the Housing Choice Voucher (HCV) waiting list. The Housing Authority has established a waiting list preference for currently assisted households at risk of losing their assistance due to program or funding changes.

2. Prioritization For All Housing Authority Owned and Managed Units

Staff have created a tenant selection preference for Housing Authority owned and managed units. When vacancies occur in Housing Authority owned or managed properties, staff will contact EHV households with information about the vacancy and offer eligible EHV households the opportunity to move into the unit.

3. Prioritization For Non-Housing Authority PBV Housing Units

When there is any available Project Based Voucher (PBV) that EHV households are eligible for, the Housing Authority will send eligible EHV households a letter with information about the opportunity to apply for the PBV housing unit(s).

4. Collaborating with the County of Santa Cruz Housing for Health Division and Affordable Housing Providers

The Housing Authority is working with the County of Santa Cruz Human Services Department, Housing for Health Division, to identify additional housing solutions. We are also contacting affordable housing providers and asking if they will prioritize EHV households for any available affordable housing programs or units in their buildings. and to inform them of our efforts to provide continued rental assistance.

Status of Efforts to Transfer EHV Households to Other Affordable Housing Programs

The baseline number of EHV participants as of October 1, 2025 was 272 households. The following table details the status of EHV households since this time, with information about how many EHV households

are housed, how many are out of a unit and searching for housing with a voucher, and how many have exited the program (by type of program exit). The information presented below is effective 12/31/25. This information will be included in each monthly Directors Report until the EHV program ends.

EHV Participation Status	10/31/25	12/31/25
Currently Housed in EHV Program		
In Jurisdiction	256	247
Billable Port – Out of Jurisdiction	3	3
Total Housed in EHV Program	259	250
Out of Unit Searching with EHV		
In Jurisdiction	6	6
Billable Port – Out of Jurisdiction	2	2
Total Searching in EHV Program	8	8
Program Exits		
Expired Voucher	3	3
Deceased	1	3
Program Violation	1	2
Transfer to PBV	0	6
Total Program Exits	5	14
Current EHV Program Participants	267	258

Over the course of November and December, there were a total of 9 program exits, with 6 of those program exits being transfers out of the EHV program into a PBV unit, where the household will receive ongoing rental assistance. (Additionally, there are 3 other EHV to PBV transfers currently in process as of the date of this report.)

Projections and Next Steps

Over the coming year, we can expect to see continued program attrition and continued transfers into existing PBV units. At this time, we estimate an attrition rate of 1.3 EHV households per month, and an EHV to PBV transfer rate of 2.5 per month, based on historic averages of EHV attrition and PBV unit turnovers. Additionally, there are two PBV projects under construction that will be ready for occupancy in 2026.

- Harvey West Studios is a 120 unit single room occupancy (SRO) permanent supportive housing project that will be located on the Coral Street Campus in Santa Cruz. Although there are a large number of EHV single-person households that would be eligible to live in an SRO unit, many Harvey West units have additional eligibility requirements based on other funding sources, and some EHV participants may be reluctant to move into a PSH project. Therefore, we are estimating that a total of 15 EHV households will move into PBV units at Harvey West.
- Pacific Station North is a 128-unit affordable housing project that will be located in downtown Santa Cruz. There are a total of 51 PBV units at Pacific Station North. EHV households will be prioritized for all of these units. Additionally, there are 21 tax credit units at the project that are designated for special needs populations. Although these are not PBV units, Eden Housing has agreed to prioritize EHV households for these 21 tax credit units as well. **Therefore, EHV households will be prioritized for at least 72 of the 126 affordable units at the project.**

It is important to note that in the event EHV households move into non PBV tax credit units, they will continue to participate in the EHV program, and therefore are still subject to the potential loss of their voucher. However, they will be residing in affordable housing units, and therefore they would be more likely to be able to pay the affordable rent as compared to a market rate rent, and therefore there is significantly less risk that the loss of their EHV voucher would result in re-experiencing homelessness.

If the EHV program experiences the attrition and PBV transfer rates described above, staff expect that there will be approximately 138 EHV households in the program in December 2026 (with at least 21 of those households in affordable housing units) when the program funds are expected to be depleted.

HUD has informed Housing Authorities that they may absorb EHV households into the HCV program if they are not in a financial shortfall and if the HCV program has the funding to absorb those vouchers. At this time, Congress has not passed a 2026 budget, and we do not have the information needed about 2026 HCV funding to determine whether or not we will be able to absorb all families. **If we do not experience funding cuts in the form of a “proration” to our 2026 funding, we will have sufficient funding to absorb all remaining EHV families into the HCV program.** In recent months, industry analysts have predicted that the current draft appropriations would result in a proration of approximately 95%. This level of funding would not be sufficient to absorb EHV households, and could potentially result in a financial shortfall for the HCV program. However, as of the date of this report, Congress has just released a draft HUD appropriations bill ahead of the January 30th continuing resolution (CR) deadline. Industry analysts are currently reviewing the draft bill and more information will be available in the coming days and weeks.

In the meantime, HUD has sent letters to all housing authorities nationally, recommending that all housing authorities implement cost saving measures, and recommending that housing authorities suspend issuing new vouchers and entering into new Project Based Voucher (PBV) commitments, noting that overall funding in 2026 may be insufficient.

Staff will be watching appropriations closely. Once funding information is known, we will update the Board on the sufficiency of that funding, as well as the potential timing associated with absorption of EHV households. If the funding is insufficient to provide continued rental assistance for all EHV households and/or would result in a financial shortfall, we will also provide the Board with information about more information about implementation of potential cost saving measures that may allow us to achieve this goal.

RECOMMENDATION: Receive Report

AGENDA ITEM SUMMARY

MEETING DATE: January 28, 2026

ITEM NUMBER: 8

FROM: Exec. Director; Deputy Exec. Director

SUBJECT: Director's Report – January 28, 2026

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Please call or e-mail me with questions you might have on any of the Agenda Items for the January 28, 2026 meeting. My phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

Chanticleer – Staff continue to work with MidPen Housing on the terms for a Joint Development Agreement to enter a partnership to co-develop 2021 Chanticleer. This partnership will increase the project's competitiveness in applying for Low Income Housing Tax (LIHTC) credits and provide technical support throughout the construction project. Staff expect to present the terms of the Joint Development Agreement and the corresponding agreements to the Board at the February Board meeting. When the agency converted the 234 units of former "public housing" to vouchers through Section 23 Streamlined Voluntary Conversion in 2021, the 234 public housing units that we removed from our program resulted in 234 units of "Faircloth Authority". Faircloth Authority refers to a provision of the 1998 Quality Housing and Work Responsibility Act (QWARA) that allows housing authorities to rebuild or replace units they remove from the public housing program. Staff are working on applying to HUD to use our Faircloth Authority through HUD's Restore Rebuild Initiative, which enables housing authorities to leverage Faircloth Authority to secure capital and ongoing operating funds through the Rental Assistance Demonstration program. These funds in combination with LIHTC funding are expected to cover a substantial portion of the project development costs.

River Street – At the November 2025 Board meeting, the New Horizons Board of Directors authorized the Secretary to enter a co-development partnership with For the Future Housing (FTF) with the provision of a \$2,000,000 loan utilizing MTW funds to support the development of 50 affordable units at 136 River Street in the City of Santa Cruz. FTF is experiencing delays with the project and was recently denied a project extension related to their LIHTC award. FTF is planning to close on financing in early February, however, there remains uncertainty regarding the project's ability to meet certain TCAC requirements. Failure to meet these requirements may result in negative points for the collective partnership which would make New Horizons less competitive on a future tax credit application. For this reason, staff have elected to withdraw from the partnership. FTF understood and respected the decision made by staff for New Horizons to exit the partnership.

Legislative and Funding Update – On Tuesday January 20th, Congress released the FY 2026 Transportation, Housing and Urban Development (THUD) appropriations bill ahead of the January 30 continuing resolution deadline. The draft bill still requires House and Senate approval. The legislation provides \$77.3 billion for HUD, a slight increase over FY 2025. The draft does include a slight increase in funding for Housing Choice Vouchers (HCV). Industry analysts will provide additional analysis in the coming days and weeks. Once a budget is approved, HUD has 60 days to provide Housing Authorities with our individual agency budget.

Continuum of Care (CoC) Funding – HUD’s Continuum of Care (CoC) Notice of Funding Opportunity (NOFO) remains in flux following significant proposed policy changes and subsequent legal action. HUD initially released a revised FY 2025 CoC NOFO that would have made major shifts in how homelessness funds are allocated, including new competitive structures and limits on permanent supportive housing models. However, after widespread concern from housing providers, advocates, and jurisdictions, HUD withdrew the NOFO, and a federal court issued an injunction preventing implementation of the new policies. As a result, HUD is currently required to operate under the prior NOFO framework for renewals while the litigation proceeds.

On the funding side, CoC program funding itself has increased overall, but the uncertainty around the NOFO has delayed award timelines and created planning challenges for communities and providers. None of the proposed policy changes are currently in effect, though HUD has indicated it may reissue a revised NOFO in the future that reflects similar priorities.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ