

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
February 25, 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 Schiffrin	4 year term expires, March 17, 2027
Commissioner Richard Schmale	2 year term expires, May 12, 2027

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

A. Minutes of the Regular Meeting held January 28, 2026

Motion to Approve

B. Fiscal Year 2026 Second Quarter Financials

Receive Report

C. Revised Salary Chart

Motion to Adopt Updated Salary Chart

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. Annual PHA Plan, Housing Choice Voucher (HCV) Administrative Plan, and Moving to Work Supplement to the Annual PHA Plan

Review and Discuss Drafts of the 2026 Annual PHA Plan, Housing Choice Voucher (HCV) Administrative Plan, and Moving to Work (MTW) Supplement to the Annual PHA Plan

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.

AGENDA ITEM NO. 1 Roll Call

Vice-Chairperson Melendrez called the meeting to order 11:02 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 and Courtney Byrd of the Housing Authority

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

AGENDA ITEM NO. 3 Consent Agenda

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

Commissioner Berg moved for the approval of the Consent Agenda; Commissioner Schiffrin 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 December 10, 2025

Agenda Item 3B. Approved Certifications to Submit HOME Application for Tenant-Based Rental Assistance

Agenda Item 3C. Received Report Housing Authority Project Based Voucher Program – FY 2026 Quarter 2 Report

Agenda Item 3D. Received Report Housing Authority Annual Agency Goals – Quarter 2 Report

AGENDA ITEM NO. 4 Oral Communications
None.

AGENDA ITEM NO. 5A Unfinished Business
None.

AGENDA ITEM NO. 6A Section 8 Housing Choice Voucher Program: Voucher and Funding Utilization

Secretary Panetta reported that the Housing Authority administers the Section 8 Housing Choice Voucher (HCV) Program, the Project-Based Voucher (PBV) Program, and other voucher-based special programs, all of which operate within established programmatic and budgetary constraints. Secretary Panetta presented a summary of voucher and funding utilization for calendar year (CY) 2025, along with proposed goals and strategic initiatives for CY 2026 and beyond.

Secretary Panetta further explained that staff develop and implement a leasing strategy designed to optimize anticipated funding levels, maximize the number of households served, and ensure full and effective utilization of available resources, consistent with voucher and funding limitations. Secretary Panetta noted that utilization levels are influenced by several factors, including Fair Market Rents, Payment Standards, the average Housing Assistance Payment (HAP), and overall budget availability. Secretary Panetta provided information summarizing voucher and funding utilization in 2025, as well as describing the current strategy for 2026, which is dependent on funding information to be provided by HUD by the end of March. Staff will keep the board informed about funding once known, as well as how that funding influences our 2026 strategy. A discussion followed. The Board of Commissioners expressed appreciation to staff for the comprehensive update and their ongoing efforts in advancing program goals and strategies.

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.

Deputy Executive Director Graham gave the Board an update on the proposed River Street development.

Executive Director Panetta gave the Board a legislative update.

Executive Director Panetta updated the Board on the Continuum of Care funding.

Executive Director Panetta informed the Board that former Finance Director Crockett is no longer working for the Housing Authority, and that the Agency has reinitiated the recruitment process.

AGENDA ITEM NO. 9 Reports from Board Members
None.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING HELD JANUARY 28, 2026, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 10 Closed Session
None.

AGENDA ITEM NO. 11 Report on Closed Session
None.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 12:40 p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Fifth Day of February 2026.

Chairperson of the Authority

ATTEST: _____

Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: February 25, 2026

ITEM NUMBER: 3B

FROM: Deputy Executive Director

SUBJECT: Fiscal Year 2026 Second Quarter Financials

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

As of the second quarter of FY2026, the agency reports an overall year-to-date surplus of \$2.78 million, compared to a budgeted surplus of \$892,262. This represents a stronger-than-budgeted continuation of the start to the fiscal year, driven primarily by timing of Administrative Fee revenues and lower-than-anticipated operating expenditures across multiple-program groups.

Non-HAP expenses are trending below budget, with several programs showing slower spending through the mid-point of the fiscal year, in line with the usual budget cycle. Capital spending agency-wide is at 12% of budget; reflective of budgeted Capitol projects planned for later in the fiscal year. The surplus and deficit positions by program group are as follows:

Program Group	Surplus / (Deficit)	Explanation
Section 8 Programs	\$ 1,556,417	Aligned with budget, administrative fees slightly ahead; federally funded rental assistance has been received and expensed on schedule.
Federal Housing Programs	\$ (7,018,418)	\$7.4M Operating Transfer Out was planned in Q4 FY25 PHA reserve spending that due to timing occurred in Q1 2026.
Federal Grants	\$ -	FSS & Shelter Plus Care; cost-reimbursement grants where revenue = expenses each quarter. Budget utilization is at 43%.
Local Programs	\$ 613	Locally funded programs (jurisdictional funds, incentives). Near break-even with minimal variance typical for Q2.
Business Activities	\$ 8,240,676	Mission St. Warehouse, 41st Ave offices, and related business-type activities. Large surplus reflects \$7.4M Operating Transfer In recorded in Q1.
Agency-Wide Surplus	\$ 2,779,287	Consolidated operating surplus across all programs for Q2 FY2026.

Section 8 is operating close to budgeted levels. HAP revenues and expenditures are both at 50% of the annual budget, and administrative fees are slightly ahead at 58%. The resulting surplus reflects stable program performance and predictable quarterly timing patterns.

Federal Housing Programs will continue to reflect a substantial deficit for the remainder of the fiscal year due to the single large transfer to Business Activities. However, it is important to note that Surplus/Deficit

presentation in the above table is a comparison of revenues and expenditures, since the transfer was funded by existing reserves of \$7.4m, the transfer out (expense) is reflected as a deficit only in terms of comparing current period revenues and expenses. The utilization of reserves does not result in a deficit of the programs total equity.

Business Activities increased due to a large \$7.4 million surplus from a single Operating Transfer recorded in Q1 to fund loans for the Chanticleer and Natural Bridges development projects, and pension reserves. Excluding this transfer, Business Activities revenues and expenses remain close to budgeted levels, with rental income at 49% and operating costs generally tracking within expected ranges.

Quarterly Analysis

Program Group	Q2 Dec 2025	Q1 Sept 2025	Change	Notes
Section 8 Programs	\$1,556,417	\$710,022	▲ + \$846,395	Slight increase due to administrative fee timing and steady HAP costs tracking exactly to budget.
Federal Housing Programs	\$(7,018,418)	\$(7,316,623)	▲ +\$298,205	Excluding the \$7.4M Operating Transfer Out booked in Q1, operating activity remained as budgeted.
Federal Grants	\$ -	\$ -	No change	Cost-reimbursement grants continue to match revenue to expenses each month.
Local Programs	\$ 613	\$(1,136)	▲ + \$1,749	Nearly break-even in Q2; slight improvement due to lower program activity early in the year.
Business Activities	\$8,240,676	\$7,634,990	▲ +\$605,686	Increase driven by portion of Q1 Management Fees recorded in Q2 and better than expected Other Revenue.
Total	\$2,779,287	\$1,082,256	▲ + 1,697,031	Higher than Q1 due primarily to timing of revenue recognition in Section 8 and Business Activities.

The agency’s consolidated surplus increased from \$1.08 million to \$2.78 million, an increase of \$1,697,031 between Q2 and Q1 FY2026. This is due primarily to timing of revenue recognition for Administrative Fees in the Section 8 Programs and Management Fees in Business Activities. The current operating surplus is expected to reduce throughout the remainder of the fiscal year as planned expenses are recognized at a higher rate. Overall, Q2 results reflect timing differences in revenue recognition which normally exceeds expense recognition during the first half of the fiscal year. Activities during the first half of the fiscal year position the agency well to perform within the approved budget for FY2026.

RECOMMENDATION: Receive Report

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - All Funds

Agency-Wide Summary

Fiscal Year to Date for the Period July 1, 2025 - December 31, 2025 (2nd Quarter)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	80,634,148	161,188,761	50%
Administrative Fees	6,767,028	12,027,475	56%
Grants / Contracts	318,847	955,428	33%
Rental Income	1,289,511	2,633,092	49%
Operating Transfers In	13,236,331	3,040,000	435%
Other Income	507,421	974,439	52%
Total Revenues:	102,753,286	180,819,195	57%
Expenses:			
Housing Assistance Pmts	80,634,148	161,188,761	50%
Salaries	3,073,387	6,705,666	46%
Employee Benefits	1,303,355	3,220,464	40%
Capital Purchases	128,445	1,051,900	12%
Maintenance	139,816	415,453	34%
General Administrative	1,218,532	2,947,522	41%
Tenant Services	239,985	697,167	34%
Operating Transfers Out	13,236,331	3,700,000	358%
Debt Service	0 -		0%
Total Expenses:	99,973,999	179,926,933	56%
Surplus (Deficit):	2,779,287	892,262	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Section 8

Includes Mod Rehab, Mainstream, and Santa Cruz Voucher Program

Fiscal Year to Date for the Period July 1, 2025 - December 31, 2025 (2nd Quarter)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	80,113,398	160,033,046	50%
Administrative Fees	5,562,720	9,580,137	58%
Grants / Contracts	- -		0%
Rental Income	- -		0%
Operating Transfers In	5,800,000	3,040,000	0%
Other Income	21,726	169,691	13%
Total Revenues:	91,497,844	172,822,874	53%
Expenses:			
Housing Assistance Pmts	80,113,398	160,033,046	50%
Salaries	2,150,746	4,861,602	44%
Employee Benefits	1,065,385	2,635,846	40%
Capital Purchases	- -		0%
Maintenance	4 -		0%
General Administrative	797,894	2,017,186	40%
Tenant Services	14,000	85,000	0%
Operating Transfers Out	5,800,000	3,000,000	0%
Debt Service	- -		0%
Total Expenses:	89,941,427	172,632,680	52%
Surplus (Deficit):	1,556,417	190,194	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Housing

Includes LIPH and Tierra Alta (formerly USDA)

Fiscal Year to Date for the Period July 1, 2025 - December 31,2025 (2nd Quarter)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	-	-	0%
Rental Income	722,997	1,468,678	49%
Operating Transfers In	-	-	0%
Other Income	(1,448)	15,500	-9%
Total Revenues:	721,549	1,484,178	49%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	53,823	112,393	48%
Employee Benefits	15,841	37,279	42%
Capital Purchases	128,445	1,029,900	12%
Maintenance	67,183	234,900	29%
General Administrative	34,780	67,087	52%
Tenant Services	3,564	-	0%
Operating Transfers Out	7,436,331	-	0%
Debt Service	-	-	0%
Total Expenses:	7,739,967	1,481,559	522%
Surplus (Deficit):	(7,018,418)	2,619	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Grants

Includes Family Self Sufficiency and Shelter Plus Care Grants

Fiscal Year to Date for the Period July 1, 2025 - December 31, 2025 (2nd Quarter)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	520,750	1,155,715	45%
Administrative Fees	- -		0%
Grants / Contracts	91,409	275,761	33%
Rental Income	- -		0%
Operating Transfers In	- -		0%
Other Income	- -		0%
Total Revenues:	612,159	1,431,476	43%
Expenses:			
Housing Assistance Pmts	520,750	1,155,715	45%
Salaries	72,983	173,623	42%
Employee Benefits	14,484	57,040	25%
Capital Purchases	- -		0%
Maintenance	- -		0%
General Administrative	158	1,598	10%
Tenant Services	3,783	43,500	9%
Operating Transfers Out	- -		0%
Debt Service	- -		0%
Total Expenses:	612,159	1,431,476	43%
Surplus (Deficit):	0	0	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Business Activities

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

Fiscal Year to Date for the Period July 1, 2025 - December 31,2025 (2nd Quarter)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	- -		0%
Administrative Fees	1,204,308	2,447,338	49%
Grants / Contracts	- -		0%
Rental Income	566,514	1,164,414	49%
Operating Transfers In	7,436,331	-	0%
Other Income	478,143	773,498	62%
Total Revenues:	9,685,296	4,385,250	221%
Expenses:			
Housing Assistance Pmts	- -		0%
Salaries	784,946	1,481,486	53%
Employee Benefits	204,802	466,927	44%
Capital Purchases	-	22,000	0%
Maintenance	72,629	180,553	40%
General Administrative	382,244	836,085	46%
Tenant Services	- -		0%
Operating Transfers Out	-	700,000	0%
Debt Service	- -		0%
Total Expenses:	1,444,620.80	3,687,051	39%
Surplus (Deficit):	8,240,676	698,199	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Local Programs

Includes programs funded by the local jurisdictions

Fiscal Year to Date for the Period July 1, 2025 - December 31, 2025 (2nd Quarter)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	- -		0%
Administrative Fees	- -		0%
Grants / Contracts	227,438	679,667	33%
Rental Income	- -		0%
Operating Transfers In	- -		0%
Other Income	9,000	15,750	57%
Total Revenues:	236,438	695,417	34%
Expenses:			
Housing Assistance Pmts	- -		0%
Salaries	10,888	76,562	14%
Employee Benefits	2,843	23,372	12%
Capital Purchases	- -		0%
Maintenance	0 -		0%
General Administrative	3,456	25,567	14%
Tenant Services	218,638	568,667	38%
Operating Transfers Out	- -		0%
Debt Service	- -		0%
Total Expenses:	235,825	694,168	34%
Surplus (Deficit):	613	1,249	

AGENDA ITEM SUMMARY

MEETING DATE: February 25, 2026

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: Revised Salary Chart

RECOMMENDATION: Adopt Updated Salary Chart

BACKGROUND SUMMARY:

In recent years, the Agency's New Horizons affordable housing development activities, as well as the expansion of New Horizons programs and services, have significantly increased the Agency's visibility and interaction with community stakeholders. This growth has generated a greater need for coordinated messaging, proactive outreach, and strategic engagement to ensure that community members, partners, and internal teams are well-informed and aligned with program goals. Strengthening communications capacity is essential to effectively support these expanding initiatives and sustain meaningful community engagement.

To support this objective, the positions of Communications & Engagement Analyst and Senior Communications & Engagement Analyst have been added to the Agency's salary chart. These classifications are aligned with the Administrative Analyst and Senior Administrative Analyst positions.

Adding these roles to the salary chart provides the Agency with flexibility for future recruitment as well as the ability to redirect existing internal resources to meet evolving communication and engagement needs in support of Agency initiatives and community engagement.

The Communications & Engagement Analyst and Senior Communications & Engagement Analyst positions are assigned to range 40 and range 44 on the salary chart, respectively, with an effective date of February 26, 2025.

RECOMMENDATION: Adopt Updated Salary Chart

Housing Authority of the County of Santa Cruz

Salary Range/Step Chart

Effective 2/25/26

Subject to Approval by the Board of Commissioners

Job Title	Range	Monthly					Hourly				
		Step 1	Step 2	Step 3	Step 4	Step 5	Step 1	Step 2	Step 3	Step 4	Step 5
*	8	3646	3828	4019	4220	4431	21.03	22.08	23.19	24.35	25.57
Resident Caretaker	9	3737	3924	4120	4326	4542	21.56	22.64	23.77	24.96	26.20
Administrative Clerk I	10	3830	4022	4223	4434	4656	22.10	23.20	24.36	25.58	26.86
*	11	3926	4122	4328	4545	4772	22.65	23.78	24.97	26.22	27.53
*	12	4024	4225	4437	4659	4891	23.22	24.38	25.60	26.88	28.22
*	13	4125	4331	4548	4775	5014	23.80	24.99	26.24	27.55	28.93
Administrative Clerk II	14	4228	4439	4661	4894	5139	24.39	25.61	26.89	28.24	29.65
*	15	4334	4550	4778	5017	5268	25.00	26.25	27.56	28.94	30.39
Account Clerk II	16	4442	4664	4897	5142	5399	25.63	26.91	28.25	29.67	31.15
*	17	4553	4781	5020	5271	5534	26.27	27.58	28.96	30.41	31.93
Administrative Clerk III	18	4667	4900	5145	5402	5673	26.92	28.27	29.68	31.17	32.73
Administrative Clerk III - Maintenance											
*	19	4784	5023	5274	5538	5814	27.60	28.98	30.43	31.95	33.54
Maintenance Worker I	20	4903	5148	5406	5676	5960	28.29	29.70	31.19	32.75	34.38
*	21	5026	5277	5541	5818	6109	28.99	30.44	31.97	33.56	35.24
Accounting Technician	22	5151	5409	5679	5963	6261	29.72	31.21	32.77	34.40	36.12
Administrative Clerk IV											
Housing Assistant											
*	23	5280	5544	5821	6112	6418	30.46	31.99	33.58	35.26	37.03
Maintenance Worker II	24	5412	5683	5967	6265	6578	31.22	32.78	34.42	36.15	37.95
Housing Inspector	25	5547	5825	6116	6422	6743	32.00	33.60	35.28	37.05	38.90
Family Self-Sufficiency Coordinator	26	5686	5970	6269	6582	6911	32.80	34.44	36.17	37.98	39.87
Housing Programs Specialist											
*	27	5828	6120	6426	6747	7084	33.62	35.31	37.07	38.92	40.87

Senior Data Analyst											
*	48	9789	10278	10792	11332	11899	56.48	59.30	62.26	65.38	68.65
Information Technology Coordinator	49	10034	10535	11062	11615	12196	57.89	60.78	63.82	67.01	70.36
Controller	50	10285	10799	11339	11906	12501	59.33	62.30	65.42	68.69	72.12
Principal Management Analyst											
*	51	10542	11069	11622	12203	12813	60.82	63.86	67.05	70.40	73.92
*	52	10805	11345	11913	12508	13134	62.34	65.45	68.73	72.16	75.77
*	53	11075	11629	12211	12821	13462	63.90	67.09	70.45	73.97	77.67
Assistant Finance Director	54	11352	11920	12516	13142	13799	65.49	68.77	72.21	75.82	79.61
*	55	11636	12218	12829	13470	14144	67.13	70.49	74.01	77.71	81.60
*	56	11927	12523	13149	13807	14497	68.81	72.25	75.86	79.66	83.64
Administrative Services Director	57	12225	12836	13478	14152	14860	70.53	74.06	77.76	81.65	85.73
Housing Programs Director											
Property Management & Client Services Director											
*	58	12531	13157	13815	14506	15231	72.29	75.91	79.70	83.69	87.87
Development Director	59	12844	13486	14161	14869	15612	74.10	77.81	81.70	85.78	90.07
Finance Director	60	13165	13823	14515	15240	16002	75.95	79.75	83.74	87.92	92.32
*	61	13494	14169	14877	15621	16402	77.85	81.74	85.83	90.12	94.63
*	62	13832	14523	15249	16012	16812	79.80	83.79	87.98	92.38	96.99
*	63	14177	14886	15631	16412	17233	81.79	85.88	90.18	94.69	99.42
Director of Operations	64	14532	15258	16021	16822	17664	83.84	88.03	92.43	97.05	101.91
*	65	14895	15640	16422	17243	18105	85.93	90.23	94.74	99.48	104.45
*	66	15268	16031	16832	17674	18558	88.08	92.49	97.11	101.97	107.06
*	67	15649	16432	17253	18116	19022	90.28	94.80	99.54	104.51	109.74
*	68	16040	16842	17685	18569	19497	92.54	97.17	102.03	107.13	112.48
*	69	16441	17264	18127	19033	19985	94.85	99.60	104.58	109.81	115.30
Deputy Executive Director	70	16852	17695	18580	19509	20484	97.23	102.09	107.19	112.55	118.18
*	71	17274	18137	19044	19997	20996	99.66	104.64	109.87	115.36	121.13
*	72	17706	18591	19520	20496	21521	102.15	107.26	112.62	118.25	124.16
*	73	18148	19056	20008	21009	22059	104.70	109.94	115.43	121.21	127.27
*	74	18602	19532	20509	21534	22611	107.32	112.69	118.32	124.24	130.45
*	75	19067	20020	21021	22072	23176	110.00	115.50	121.28	127.34	133.71
*	76	19544	20521	21547	22624	23756	112.75	118.39	124.31	130.52	137.05

*	77	20032	21034	22086	23190	24349	115.57	121.35	127.42	133.79	140.48
Executive Director	78	20533	21560	22638	23770	24958	118.46	124.38	130.60	137.13	143.99

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

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

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

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

AGENDA ITEM SUMMARY

MEETING DATE: February 25, 2026

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Annual PHA Plan, Housing Choice Voucher (HCV) Administrative Plan, and Moving to Work Supplement to the Annual PHA Plan

RECOMMENDATION: Review and Discuss Drafts of the 2026 Annual PHA Plan, Housing Choice Voucher (HCV) Administrative Plan, and Moving to Work (MTW) Supplement to the Annual PHA Plan

BACKGROUND SUMMARY:

The Department of Housing and Urban Development (HUD) mandates that all Public Housing Authorities (PHAs) complete and submit an Annual PHA Plan. The PHA Plan submission also includes the Housing Choice Voucher Administrative Plan and the Moving to Work (MTW) Supplement to the Annual PHA Plan. This set of documents serves as a comprehensive resource for HUD, program participants, and the public at large to access fundamental information about the PHA, including policies, rules, and operational requirements for programs and services.

Attached for Board review, discussion, and feedback are the draft 2026 Annual PHA Plan, Administrative Plan, and MTW Supplement to the Annual PHA Plan. A description of each document and summary of the proposed changes is provided below.

The Annual PHA Plan, a mandatory HUD form, provides an overview of basic PHA information and details progress toward the goals established in the most recent 5-year plan (July 1, 2025 – June 30, 2030).

The HCV Administrative Plan is a document required by HUD, which includes HUD-mandated elements and discretionary PHA policies that are specific to the Housing Choice Voucher (HCV) program. The Administrative Plan is presented in a redline version with “track changes” enabled for visibility of proposed revisions. These changes reflect updates based on MTW approved waivers, as well as updates reflecting new monitoring and oversight of Project Based Voucher (PBV) projects.

Summary of Administrative Plan Updates:

Staff are proposing targeted updates to the Administrative Plan to align with approved MTW waivers, and strengthen oversight, clarify owner responsibilities, and improve consistency in the administration and lease-up of Project-Based Voucher (PBV) units.

1. Voucher Family Rent Contribution and Minimum Rent (p 34-35): Reflects the MTW waiver allowing households to select a unit with a family share of rent up to 50% of household income at the time of move-in. The revision also clarifies the existing minimum rent of \$0.

2. PBV Inspections (p 42): Clarification of inspection timing and possible inspection fees associated with new construction and rehabilitation projects.
3. PBV Execution of AHAP (p 43): Defines requirements and timing for AHAP execution prior to construction or rehabilitation.
4. PBV Owner Reporting, Documentation, Unit and Tenant Selection, Marketing, and Lease Up (p 49): Specifies expectations for:
 - a. Timely owner reporting and submission of project documentation upon request by the Housing Authority
 - b. Limits on the number of accessible units to which PBVs may be attached within a project
 - c. Requirements for Housing Authority-approved MOUs for PBV units with third-party referrals or supportive services, excluding VASH.
 - d. Requirement to use Housing Authority-approved tenant selection, marketing, and lease-up materials and procedures
 - e. Agency authority to establish lease-up guidelines for initial occupancy and turnover
5. PBV Conditional Award Letters and Conditions of Award (p 50): Describes the conditional nature of PBV awards and the process for Housing Authority confirmation.
6. Compliance Agreements and Remedies for Non-Compliance (p 50): Provides for the Agency to require the use of compliance agreements and identifies corrective actions the Housing Authority may take in response to owner non-compliance, consistent with program requirements.

The MTW Supplement to the Annual PHA Plan is a form that all HUD MTW Expansion Agencies are required to complete on an annual basis. This form outlines the status of all currently approved MTW waivers, along with a list of new waivers that the Housing Authority is seeking approval for. This MTW Supplement includes a request for six new waivers, which are summarized below.

Summary of MTW Supplement to the Annual PHA Plan Updates:

1. **Activity 6.b. Short Term Assistance** (p 22) – This waiver allows the creation of a short-term housing assistance program, providing at least 3 but not more than 36 months, and including supportive services, in its HCV program. This waiver could be implemented to support households transitioning out of the Emergency Housing Voucher (EHV) Program.
2. **Activity 9.e. Project Based Voucher Program Flexibilities – Alternative PBV Unit Types (Shared Housing and Manufactured Housing)** (p 27) – This waiver allows PBV assistance in shared housing units and/or in manufactured housing.
3. **Activity 17.a Local, Non-Traditional Activities – Shallow Rental Subsidy Programs** (p 35) – This waiver would allow the creation of programs that use MTW Funding to support a shallow rental subsidy administered through a third-party entity (potential New Horizons). The third party entity would manage intake and administration of the program, potentially including: supportive housing programs and services to help homeless individuals and families reach independence; supportive living; shallow subsidies; homeless/transitional housing programs; or programs that address special needs populations. This waiver could be implemented to assist households transitioning out of the EHV Program into non-HCV units such as LIHTC.

4. Agency Specific Waiver – Align PBV Rent Increase (p 44) – This waiver would allow HACSC to develop a local process to align PBV rent increases for all properties on the same annual anniversary date, thereby reducing the administrative burden of processing such changes throughout the year.
5. Agency Specific Waiver – Direct Referral Program (p 55) – This waiver would allow HACSC to create a direct referral program for certain special needs populations, including populations identified by other funding sources such as No Place Like Home, and Homekey+, which includes criteria for persons with specific disabilities. This activity would allow HACSC to make PBVs available to developers using these funding sources and would also allow vouchers to be used to provide housing and supportive services to vulnerable populations.
6. Agency Specific Waiver – MTW Value Voucher (p 59)– This waiver, would allow the implementation of a new lower-cost subsidy “MTW value voucher” targeted to households transitioning out of the EHV program into privately assisted housing developments where the rental costs are lower than current HUD published FMRs, but still not affordable to very-low and extremely low-income households. These would generally be units in LIHTC, Section 236, and certain state funded developments, for example, where rents are generally set at or below 60% of AMI. This waiver meets the MTW statutory objective of Housing Choice.

The Annual PHA Plan, HCV Administrative Plan, and the MTW Supplement to the Annual PHA Plan is currently in a required public review period. Commencing Friday, February 6, 2026, and continuing weekly through March 20, 2026, required public notices have been and will continue to be published in the Santa Cruz Sentinel, the Watsonville Pajaronian, and the Hollister Freelance. These notices inform the public about the opportunity to review the Drafts of the 2026 Agency Plan, Administrative Plan, and MTW Supplement, solicit comments, and provide details about the public hearings scheduled for the March 25, 2025, meeting of the Board of Commissioners. Additionally, copies of all draft materials, along with information about the March 25, 2026, public hearings, are accessible to the public on the Housing Authority’s website under “Agency Plans.”

The Resident Advisory Board (RAB) will review drafts of the 2026 Annual PHA Plan, Housing Choice Voucher Program Administrative Plan (Administrative Plan) and Moving to Work (MTW) Supplement to the PHA Plan and will be provided with an opportunity to provide feedback on these draft documents. At the March Board meeting, once the Board has received and considered any feedback provided during the public comment period, the Board will direct staff on any necessary modifications, vote to approve the plan documents, and the Chairperson shall then be authorized to execute resolutions authorizing submission of the Plan documents to HUD.

RECOMMENDATION: Review and Discuss Drafts of the 2026 Annual PHA Plan, Housing Choice Voucher (HCV) Administrative Plan, and Moving to Work (MTW) Supplement to the Annual PHA

ATTACHMENTS:

1. Draft 2026 Annual PHA Plan
2. Draft 2026 Housing Choice Voucher Program Administrative Plan
3. Draft 2026 Moving to Work Supplement to the Annual PHA Plan

Streamlined Annual PHA Plan <i>(High Performer PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 09/30/2027
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services. They also inform HUD, families served by the PHA, and members of the public of the PHA's mission, goals, and objectives for serving the needs of low-, very low-, and extremely low- income families.

Applicability. The Form HUD-50075-HP is to be completed annually by **High Performing PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, HCV-Only PHA, Small PHA, or Qualified PHA do not need to submit this form. PHAs with zero public housing units must continue to comply with the PHA Plan requirements until they closeout their Section 9 programs (ACC termination).

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers (HCVs) and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, SEMAP for PHAs that only administer tenant-based assistance and/or project-based assistance, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, and that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or HCVs combined and is not PHAS or SEMAP troubled.

A.	PHA Information.
A.1	<p> PHA Name: Housing Authority of the County of Santa Cruz PHA Code: CA072 PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>07/01/2026</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units <u>0</u> Number of Housing Choice Vouchers (HCVs) <u>5965</u> Total Combined <u>5965</u> PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission </p> <p> Public Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA and should make documents available electronically for public inspection upon request. PHAs are strongly encouraged to post complete PHA Plans on their official websites and to provide each resident council with a copy of their PHA Plans. </p> <p> The Housing Authority of the County of Santa Cruz (HACSC) makes its Annual Plan, MTW Supplement to the Annual Plan, Section 8 Administrative Plan, and all required Plan Elements available for public review and inspection. These documents may be accessed electronically at https://hacosantacruz.org/general-information/agency-plans/ or reviewed in person at HACSC's public lobby, located at 2160 41st Avenue, Capitola, California. The public lobby is open Monday through Thursday, from 8:00 a.m. to 4:30 p.m., excluding published holidays. Information related to the public hearing and proposed PHA Plan is available at the same locations. Copies may be provided upon reasonable request. </p>

PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)

Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	
				PH	HCV
Lead PHA:					

B. Plan Elements

B.1 Revision of Existing PHA Plan Elements.

(a) Have the following PHA Plan elements been revised by the PHA since its last **Annual PHA Plan** submission?

Y N

- Statement of Housing Needs and Strategy for Addressing Housing Needs.
- Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.
- Financial Resources.
- Rent Determination.
- Homeownership Program.
- Safety and Crime Prevention.
- Pet Policy.
- Substantial Deviation.
- Significant Amendment.

(b) If the PHA answered yes for any element, describe the revisions for each element below:

Statement of Housing Needs and Strategy for Addressing Housing Needs. - Updated to include most recent data

Financial Resources. - Updated to include most recent information

(c) The PHA must submit its Deconcentration Policy for Field Office Review.

Not applicable per 24 CFR 903.7(b)(1) - the Housing Authority has no public housing units.

B.2 New Activities.

(a) Does the PHA intend to undertake any new activities related to the following in the PHA's applicable Fiscal Year?

Y N

- Choice Neighborhoods Grants.
- Modernization or Development.
- Demolition and/or Disposition.
- Conversion of Public Housing to Tenant Based Assistance.
- Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD.
- Homeownership Program under Section 32, 9 or 8(Y)
- Project Based Vouchers.
- Units with Approved Vacancies for Modernization.
- Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

(b) If any of these activities are planned for the applicable Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan.

Modernization or Development / Conversion of Public Housing to Project-Based Vouchers under RAD – The Housing Authority intends to construct a new affordable housing building project using the Restore-Rebuild Program at 2021 Chanticleer Avenue, Santa Cruz, CA 95062. The Housing Authority intends to initiate the Restore-Rebuild process in early 2026.

Given that the Restore-Rebuild Program constructs public housing and immediately converts to PBV or PBRA through RAD, the agency also intends to convert public housing. The agency does not have any existing public housing units in its portfolio, and therefore the RAD Program is only applicable to this new construction project.

The project is planned to be approximately 60 units and is intended to be general purpose housing with no specific set asides. It is estimated that 25% of units will be 2BRs, 25% of units will be 3BRs, and the remaining 50% of units will be distributed between 1BRs and studios.

The agency plans to convert to PBVs. Families will be selected in accordance with waiting list policies as established in the HCV Administrative Plan.

The agency is not currently under a voluntary compliance agreement, consent order, consent decree, or final judicial ruling or administrative ruling or decision.

The agency will comply with Section 5.2 of PIH Notice 2016-17.

Project-Based Vouchers – The Housing Authority may issue a Request for Proposals (RFP) for PBVs that opens or closes at a defined time or may issue a rolling RFP. The Housing Authority may also issue awards of PBVs non-competitively to projects that it owns or manages through MTW authority under waiver 9.c.

The agency may award PBVs up to the Program Cap anywhere in its jurisdiction, to support the construction of new affordable housing and/or to preserve existing affordable housing.

Any RFP or noncompetitive award will comply with PBV goals, civil rights requirements, HQS, and deconcentration standards.

B.3 Progress Report.

Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year Plan.

The information below reflects progress for year one of the 5-Year Plan (July 1, 2025 – June 30, 2030). For each goal and objective, baseline data reflects conditions as of July 1, 2025 (the start of the 5-Year Plan period), and progress is measured by comparing current year one data to that baseline.

1. Goal: Expand Housing Choice Voucher Program

- a. Achieve and Maintain a Housing Choice Voucher (HCV) utilization rate of 99% for the entire HCV program group. – The Housing Authority's HCV program utilization was 99.04% at the beginning of the 5 Year Plan. During year one, the utilization rate decreased to 98.29%. This decrease is attributable to an increase in the total number of vouchers effective July 1, 2025, following the award of 52 additional Family Unification Program (FUP) vouchers, as well as efforts to decrease utilization due to funding limitations.
- b. Increase size of rental assistance programs by at least 250 new vouchers – The Housing Authority's ACC was 5,913 at the beginning of the 5 Year Plan. During year one, we increased the total ACC to 5,965 (an increase of 52 vouchers). This increase is attributable to the award of 52 Family Unification Program vouchers effective July 1, 2025. The Housing Authority will continue to seek out and apply for new vouchers when available.
- c. Increase total number of households assisted by at least 350 households – The Housing Authority was assisting 5,877 households at the beginning of the 5 Year Plan. During year one, we decreased the number of participating households to 5,863 (a decrease of 14 households). Progress toward increasing the total number of households assisted during the reporting period has been affected by ongoing uncertainty regarding HUD funding levels, resulting in a need to deviate from our original goal by reducing voucher utilization to a level supported by current funding.
- d. Increase number of landlords participating in the HCV program by at least 100 – The Housing Authority Housing Choice Voucher (HCV) program had 1,948 participating landlords at the beginning of the 5 Year Plan. During year one, the number of participating landlords decreased to 1,926, representing a net decrease of 22 landlords. While the Housing Authority continues ongoing outreach and engagement efforts to support landlord participation, the decrease in participating landlords is a result of the increase in the number and percentage of vouchers being concentrated into Project Based Voucher (PBV) projects.

2. Goal: Expand supply of affordable housing

- a. Increase the size of project-based voucher program by at least 500 units under HAP contract, with at least 400 of those units provided to new affordable housing developments – The Housing Authority administered 873 Project-Based Voucher (PBV) units under Housing Assistance Payments (HAP) contracts at the beginning of the 5 Year Plan. During year one, two PBV projects executed HAP contracts adding 56 PBV units (31 units to existing housing and 25 units in new affordable developments), thereby increasing the total number of PBV units under HAP to 929 units. In addition, the Housing Authority has a pipeline of nine (9) PBV new affordable housing projects totaling 345 PBV units that have been awarded and are expected to execute HAP contracts and come online during the Five-Year Plan period subject to project readiness, funding availability, and HUD approval.

- b. Establish an affordable housing pipeline, with a minimum of 100 new affordable units constructed and/or entitled, through Housing Authority nonprofit or affiliated entity – The Housing Authority through its nonprofit affiliate, New Horizons Affordable Housing and Development Inc. has acquired 2021 Chanticleer Avenue, in the unincorporated area of Santa Cruz County. New Horizons is actively working on predevelopment activities which includes preparing architectural drawings, and the project is estimated to provide between 55 to 62 units. The Housing Authority continues to search for additional acquisition and development opportunities.
- c. Enter into one or more co-development partnerships with existing affordable housing developers to develop new affordable housing and to obtain Low Income Housing Tax Credit (LIHTC) experience required to apply for future tax credits for Housing Authority projects – During year one, the Housing Authority and its nonprofit affiliate, New Horizons Affordable Housing and Development Inc. identified a co-development opportunity for the development of 2021 Chanticleer. New Horizons selected MidPen Housing as the development partner for the project. The Housing Authority is currently working with MidPen Housing to define the terms and conditions of a joint development agreement in advance of execution. The Co-Development RFQ remains open, and the Housing Authority will continue to pursue additional LIHTC projects to obtain the experience needed for future tax credit applications.

3. Goal: Improve quality of affordable housing

- a. Install solar photovoltaic panels to provide clean renewable energy at the 6 properties identified through the Solar on Multifamily Affordable Housing Program assessment – In February 2025, New Horizons entered into a contract with GRID Alternatives for the design and installation of solar photovoltaic systems at six New Horizons properties, with a total project cost of \$1,212,622. As of December 2025, solar panels have been installed at two of the six sites, and the remaining four sites are currently in plan review and permitting with local jurisdictions. All installations are anticipated to be completed by the fourth quarter of FY 2025/26. The project is funded through the Solar on Multifamily Affordable Housing (SOMAH) program, with reimbursement of \$927,627.77, approximately 76% of total project costs, expected in Q2 of FY 2026/27 following project completion. The remaining \$284,944.42 will be funded by New Horizons.
- b. At applicable properties, convert existing natural gas appliances which includes hot water boilers and cooking ranges to an electric or other green energy source system – The Housing Authority plans to release a Request for Proposals (RFP) for Energy Efficiency and Electrification Services in Q3 of FY 2025/26 for the six sites receiving solar photovoltaic (PV) systems through the SOMAH program. Staff are working with consultants from the Association for Energy Affordability to develop the project scope and identify funding sources, including opportunities through the Low-Income Weatherization Program (LIWP), the Multifamily Energy Savings Program (MFES), and PG&E. All solar PV systems have been upsized to accommodate the increased electrical loads associated with full electrification of existing gas systems. In addition to gas system electrification, the scope of work includes energy-efficient lighting upgrades and water-saving measures. Construction on these upgrades is anticipated to begin in Q4 of FY 2025/26, concurrent with the completion of the solar PV installations.

4. Goal: Increase housing choices for assisted families:

- a. Conduct FMR study bi-annually to ensure FMRs keep pace with market rents, and to maximize funding – The Housing Authority conducts FMR studies at least biennially. A new FMR study is planned for early 2026 to inform the October 2026 FMRs.
- b. Offer voucher mobility counseling services to voucher holders, such as workshops on how to search for rental housing, preparation of rental resumes, etc. – The Housing Authority continues to support increased housing choice for assisted families through the Family Self-Sufficiency (FSS) program. FSS Coordinators provide individualized voucher mobility counseling to FSS participants, including guidance on how to search for rental housing, preparation of rental resumes, and related housing navigation topics. Agency-wide, these topics are discussed in the online Briefing Video and Briefing Packet materials provided to all new voucher recipients.

5. Goal: Improve agency and program management

- a. Survey key stakeholders periodically, including but not limited to landlords and assisted families to identify areas for improvement in programs, services, and operations – The Housing Authority issued a Request for Proposals for Survey Research Services in December 2025. The selected consultant will design, administer, and analyze a biennial stakeholder survey assessing program needs, client satisfaction, and program administration. The survey will target Housing Choice Voucher participants, residents of Housing Authority–owned or controlled properties, and participating property owners and managers. Survey results are expected in 2026 and will inform program, service, and operational improvements.

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

- a. Promote asset development through implementation and evaluation of HUD MTW Asset Building Savings for YOU Program – The Housing Authority launched a two-year MTW pilot program, Savings for YOU, in Spring 2024 to promote asset building among extremely low-income households. The program was structured as an opt-out demonstration and provided monthly savings contributions paired with financial coaching and workshops. A total of 53 households participated in the pilot. Through the end of 2025, \$117,660 has been distributed to participants, with total direct-deposited payments at program completion estimated at \$128,260.
- b. Identify strategies and best practices for extending or expanding the Savings for YOU Program beyond the initial cohort – The Housing Authority is partnering with ABT Global to analyze program outcomes and develop recommendations on best practices, scalability, and potential pathways for extending or expanding the Savings for YOU model beyond the initial cohort.
- c. Implement Board-Approved Resident Services Plan, with multi-generational services available to all tenants of Housing Authority owned or managed properties to improve quality of life – During the reporting period, the Housing Authority delivered and advanced a range of resident services serving youth, families, and seniors, including educational enrichment and academic support, workforce development and financial education, and senior-focused activities connecting residents to community resources and public benefits. Key programs include:

Youth – Services targeted primarily to school age children and young adults, including scholarships, summer enrichment activities and tutoring

Scholarship Program – The Housing Authority awards annual scholarships of at least \$1,000 to current participants pursuing higher education.

Summer Enrichment Activities – Recreational and enrichment grants of up to \$500 are offered to children ages 5–17 through a collaborative partnership with County Park Friends and Santa Cruz County Parks.

Tutoring Program – The Tutoring Program provides free academic support for K–12 students across core subject areas in both English and Spanish, offered through online and limited in-person formats.

Backpacks and School Supplies Program – This initiative will provide K–12 students with backpacks and essential school supplies to support a strong start to the academic year and reduce financial barriers for families.

Families – Services including workforce development and financial workshops and coaching
Workforce Development Program – Workshops and one-on-one career counseling to support career exploration, job readiness, and employment placement are being provided under contract with Advanced Employment Group, a regional workforce development organization.

Seniors – Services including senior support case management and assistance in access to public benefits

Project Silver Bells – This seasonal initiative provides holiday care packages and greeting cards to senior residents living in Housing Authority owner and managed properties.

Senior Services Fairs – Events connecting senior residents with local service providers offering benefits and senior-focused resources are being implemented on a countywide basis.

- d. Evaluate Resident Services periodically to measure efficiency and impact of existing services offered, to identify emerging needs, and to update Resident Services Plan – The Housing Authority issued a Request for Proposals for Survey Research Services in December 2025, to support the periodic collection of feedback related to Resident Services. The selected consultant will design, administer, and analyze a biennial stakeholder survey to assess resident needs, satisfaction with services, and the effectiveness of service delivery and program administration. Results are anticipated in 2026 and will be used to inform improvements to Resident Services programs and operations.

B.4	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved.</p> <p>n/a</p>
B.5	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
C.	<p>Other Document and/or Certification Requirements.</p>
C.1	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) have comments to the PHA Plan?</p> <p>Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>

<p>C.2</p>	<p>Certification by State or Local Officials.</p> <p>Form HUD-50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p>C.3</p>	<p>Civil Rights Certification/Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.</p> <p>Form 50077-ST-HCV-HP, <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i> must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p>C.4</p>	<p>Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA’s response to the public.</p> <p>(a) Did the public challenge any elements of the Plan?</p> <p>Y N</p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, include Challenged Elements.</p>

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

HOUSING CHOICE VOUCHER PROGRAM (SECTION 8)
ADMINISTRATIVE PLAN



The Administrative Plan contains those policies of the Housing Authority of the County of Santa Cruz that have been adopted by the Board of Commissioners, as required by 24CFR 982.54, governing the establishment and administration of a waiting list, the issuance of Section 8 Housing Choice Vouchers, and overall program administration. The Housing Authority reserves the right to amend the Administrative Plan.

April 1, 2026

Please note that the electronic copy of this document contains hyperlinks to applicable regulations and other references. An electronic copy of this document is available at: hacosantacruz.org. If you cannot access the electronic copy of this document, copies of the referenced links and regulations will be available upon request.

TABLE OF CONTENTS

Section	Title	Page
I.	Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List	3
II.	Issuing or Denying Housing Choice Vouchers, Term of the Housing Choice Voucher, and Extensions or Suspensions of the Term	15
III.	Special Purpose Programs	16
IV.	Occupancy Policies	22
V.	Encouraging Participation by Owners Outside Areas of Low-Income and Minority Concentration	24
VI.	Assisting a Family That Claims Illegal Discrimination	25
VII.	Providing Information about a Family to Prospective Owners.....	26
VIII.	Disapproval of Owners	26
IX.	Subsidy Standards	26
X.	Family Absence from Dwelling Units.....	30
XI.	How to Determine Who Remains in the Program If a Family Breaks Up	30
XII.	Informal Review Procedures for Applicants	31
XIII.	Informal Hearing Procedures for Participants.....	32
XIV.	The Process for Establishing and Revising Payment Standards and Utility Allowances.....	34
XV.	The Method for Determining That Rent to Owner Is a Reasonable Rent	36
XVI.	Policies Regarding Special Housing Types	36
XVII.	Project Based Voucher Program	39
XVIII.	Payment by a Family to the Housing Authority	51
XIX.	Annual and Interim Determinations of Family Income.....	51
XX.	Restrictions, If Any, on the Number of Moves by a Participant Family.....	55
XXI.	Approval by the Board of Commissioners or Other Authorized Officials to Charge the Administrative Fee Reserve.....	55
XXII.	Procedural Guidelines and Performance Standards for Conducting Required HQS Inspections	55
XXIII.	Screening of Applicants for Family Behavior or Suitability for Tenancy	56
XXIV.	Voucher Suspension Policy.....	56
XXV.	Moving to Work – Local Non-Traditional Activities	57

I. Selecting Applicants from the Waiting List, Targeting, Preferences, Closing and Opening Waiting List

Selecting Applicants from the Waiting List

All program admissions, except for special programs (described in Section III), and special admissions, must come from the applicable waiting list. Special admissions, defined by Housing and Urban Development (HUD) in 24 CFR 982.203 consist of HUD awards that are targeted for families living in specified units. Such HUD awards may include families displaced because of demolition or disposition of a public housing unit, families residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project, or other circumstances as determined by HUD.

When a waiting list is open, the Housing Authority accepts pre-applications from all interested persons and places their name on the waiting list in accordance with that waiting list's policy, either by lottery or date of placement. Lottery refers to a randomized selection method in which a generated number sequence is used to determine placement on the waiting list, rather than the date of application.

When a waiting list is closed to the general public, the Housing Authority may accept direct referrals for applicants that are eligible for preferences or special programs, as defined below. In all cases, the Housing Authority will endeavor to serve preference or special program eligible applicants already on the waiting list before accepting referrals for new preference or special program eligible applicants.

Additionally, when a waiting list is closed, the Housing Authority will add applicants to the waiting list when required to do so by HUD, including but not limited to instances where eligible households are residing in units newly accepted into the Project-Based Voucher Program.

Except as otherwise stated, Housing Choice Voucher (HCV) applicants are selected based on lottery or date of placement along with any applicable preferences. As applicants approach the top of a waiting list, full applications are issued. Those applicants, who have submitted a complete application and are certified eligible for HCV assistance, are issued vouchers based on the date that eligibility was determined, in accordance with income targeting requirements.

All households who complete a pre-application to place their name on the waiting list are informed in writing of their responsibility to report any change in address promptly.

Applicants will be cancelled from the waiting list if:

1. They do not respond to required written correspondence within the given time period;
2. Mail sent to their last reported address is returned as undeliverable by the post office;
3. The head of household is already assisted under the Housing Choice Voucher or Project-Based Voucher Programs
4. They decline assistance when selected for a Housing Choice Voucher

Exceptions for persons with disabilities: Exceptions will be granted for applicants with disabilities, as defined in 24 CFR 5.403 who were not able to respond within the time frame due to their

disability. Exceptions may also be granted for hospitalization of sufficient duration to be the cause of the lack of response.

The Housing Authority will consider requests for reinstatement on the waiting list. The Housing Authority will consider the date of most recent contact, the length of time between cancellation and reinstatement request, disability status, homelessness, or lack of access to mail, and other factors.

The Housing Authority may conduct voucher issuance briefings remotely via telephone or video conferencing.

Asset Limits and Determination of Net Family Assets - (Applicable upon the Housing Authority's HOTMA Compliance Date)

The Housing Authority is required to deny new admissions to the Housing Choice Voucher or Project Based Voucher program if an applicant's net family assets exceed \$100,000 or if the applicant owns real property suitable for the household to live in.

If the applicant declares present ownership in real property, the Housing Authority must seek third-party verification of the following, as applicable:

1. Whether or not the applicant has the legal right to reside in the property; and
2. Whether or not the applicant has the effective legal authority to sell the property; and
3. Whether or not the property is suitable for occupancy by the applicant as a residence.

The Housing Authority will not consider retirement accounts and non-revocable trusts as part of household assets. Excluded assets can be found at 24 CFR 5.603(b)(3) and (4). The Housing Authority will exercise its discretion to not enforce the asset limitations for annual recertifications.

Number of Waiting Lists

The Housing Authority maintains a combined waiting list for the Santa Cruz County Housing Choice Voucher Program (HCV), the Moderate Rehabilitation Program, and for some units of the Project-Based Voucher (PBV) Program that do not have site-based waiting lists (See exceptions for Special Programs in Section III). Additionally, the Housing Authority maintains a separate waiting list for the Housing Choice Voucher Program for the Cities of Hollister and San Juan Bautista, which may also include some units of the PBV Program that do not have site-based waiting lists. Should a household (a) come up on both waiting lists at the same time or (b) is housed in the program and comes up on the waiting list, the household is entitled to only one voucher. At no time shall a household be permitted to have more than one active voucher.

Upon re-opening of the HCV Waiting List, the Housing Authority will add all new pre-applicants to a combined waiting list that serves Santa Cruz County and the Cities of Hollister and San Juan Bautista for the HCV, PBV, and Moderate Rehabilitation Programs. However, existing applicants will continue to be selected for assistance from the currently established separate waiting lists prior to or concurrently with applicants from the newly combined waiting list, subject to any established preferences.

Medicaid Waiver

The Housing Authority has established a waiting list for applicants who are eligible for a Medicaid Waiver and are referred by agencies with an active memorandum of understanding (MOU) with the Housing Authority. Available vouchers are issued based on date of placement on the waiting list (*see Special Purpose Vouchers section for more information*).

Selection of Families for Project-Based Voucher Units

Project-Based Voucher sites may have separate site-based waiting lists, may have third-party referral units, may utilize the combined Housing Choice Voucher Waiting List, or may employ a mix of these methods. The Housing Authority will consider the establishment of additional site-based waiting lists for new Project-Based Voucher units on a case-by-case basis. For most Project Based Voucher units, families will be selected from the Housing Choice Voucher Waiting List to apply for a PBV unit in the order of their lottery number. Existing Housing Choice Voucher holders who were recently issued a voucher or are in the process of transferring may lease PBV units at developments that utilize the combined HCV Waiting List. Additionally, existing HCV holders that qualify for preference #12 below, *Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes*, are eligible to transfer into PBV units at projects that use a site-based waiting list.

When a PBV unit becomes available, the Housing Authority will send a letter to the top families on the HCV Waiting List and searching voucher holders, or to households on the PBV site-based waiting list, as applicable. The letter will instruct interested families to contact the owner directly to apply. For PBV units that utilize the combined Housing Choice Voucher waiting list, if outreach to the waiting list does not result in an eligible applicant with the appropriate household size after sixty (60) days of outreach consisting of at least two (2) mailings, and the owner utilizes a site-based waiting list for other PBV units or non-PBV units, the Housing Authority may allow the owner to refer an eligible applicant from that site-based waiting list to the combined HCV Waiting List unit. Acceptance of referrals for HCV Waiting List units will be considered on a case-by-case basis, subject to the approval of the Executive Director.

Additionally, the Housing Authority maintains a Farmworker PBV Waiting List. This is a multi-property site-based waiting list and families may be selected from this waiting list for PBV units that are set aside for farm workers. When a unit becomes available, outreach letters are sent to top applicants based on date of placement on this waiting list. Designated Project-Based Voucher properties may offer units through a referral process with a third-party agency. Eligible families referred through this method will be placed on a PBV waiting list for designated unit(s) at that property and receive an absolute preference. Such properties are listed in the table below.

If a property with PBVs is not listed in the table below, it is because all units utilize the combined Housing Choice Voucher Waiting List.

PBV Development	Location	Waiting List Conditions
<p>El Centro 44 PBV units – senior housing</p>	<p>1110 Pacific Avenue Santa Cruz</p>	<p>44 units for elderly households – Date of placement on the site-based waiting list and any applicable preferences</p>

<p>Resetar Residential Hotel</p> <p>52 PBV units</p>	<p>15 West Lake Avenue Watsonville</p>	<p>44 Standard PBV units - date of placement on the site-based waiting list and any applicable preferences</p> <p>8 HUD-VASH PBV units – referrals from the Department of Veterans Affairs</p>
<p>St. Stephens Senior Housing</p> <p>39 PBV units – senior housing</p>	<p>2510 Soquel Avenue Santa Cruz</p>	<p>29 PBV units for elderly households – lottery number on the site-based waiting list and any applicable preferences. Upon exhaustion of the site-based waiting list, units will be occupied by families selected from the HCV Waiting List or among searching voucher holders.</p> <p>5 HUD-VASH PBV units for elderly households – referrals from the Department of Veterans Affairs</p> <p>5 PBV units for frail elderly households – referrals from Health Projects Center</p>
<p>Pippin Orchards Apartments</p> <p>31 PBV units</p>	<p>56 Atkinson Lane Watsonville</p>	<p>33 Standard PBV units – lottery number on the site-based waiting list and any applicable preferences.</p>
<p>Sunrise Senior Apartments</p> <p>48 PBV units – senior housing</p>	<p>580 Westside Blvd. Hollister</p>	<p>43 PBV units for elderly households – Sunrise Senior Apartments will use a site-based waiting list and any applicable preferences.</p> <p>Applications will be processed based on the date the application is received after the initial lottery is conducted.</p> <p>5 HUD-VASH PBV units for elderly households – referrals from the Department of Veterans Affairs</p>

<p>San Andreas</p> <p>4 PBV units – farmworker housing</p>	<p>295 San Andreas Road Watsonville</p>	<p>4 Farmworker PBV units – Families will be selected from the Housing Authority Farmworker PBV Waiting List and any applicable preferences will be applied.</p>
<p>Villas del Paraiso</p> <p>15 PBV units – farmworker housing</p>	<p>340 Paraiso Drive Watsonville</p>	<p>15 Farmworker PBV units – Families will be selected from the Housing Authority Farmworker PBV Waiting List and any applicable preferences will be applied.</p>
<p>Jardines del Valle</p> <p>5 PBV units</p>	<p>76 Murphys Crossing Road Santa Cruz County (unincorporated area)</p>	<p>5 Standard PBV units – Families will be selected from the Housing Authority Farmworker PBV Waiting List and any applicable preferences will be applied.</p>
<p>Pajaro Valley Shelter Services</p> <p>4 PBV units</p>	<p>Scattered sites</p>	<p>4 Standard PBV units for formerly homeless families referred by Pajaro Valley Shelter Services</p>
<p>Merrill Road Apartments</p> <p>15 PBV units</p>	<p>3201 Merrill Road Aptos</p>	<p>15 Standard PBV units – date of placement on site-based waiting list and any applicable preferences applied.</p>
<p>Bienestar Plaza</p> <p>40 PBV units</p>	<p>1500 Capitola Road Santa Cruz</p>	<p>25 Standard PBV units – lottery number on the HCV Waiting List and any applicable preferences.</p> <p>15 Permanent Supportive Housing (PSH) units for households referred by the Continuum of Care’s Coordinated Entry System</p>

<p>Tabasa Gardens 37 PBV units</p>	<p>1482 Freedom Blvd Watsonville</p>	<p>21 Standard PBV units – lottery number on the HCV Waiting List and any applicable preferences.</p> <p>6 Permanent Supportive Housing (PSH) units for households referred by the Continuum of Care’s Coordinated Entry System</p> <p>10 Farmworker units for farmworker families– families to be selected from the owner-maintained’ site-based farmworker waiting list, with a preference for farmworker families also on the HCV waiting list. Families may also be selected from the Housing Authority Farmworker PBV Waiting List.</p>
<p>Cedar Street Family Apartments 8 PBV units</p>	<p>525 Cedar Street Santa Cruz</p>	<p>4 HUD-VASH PBV units - referrals from the Department of Veterans Affairs and any applicable preferences.</p> <p>4 Permanent Supportive Housing (PSH) units - referrals from the Continuum of Care’s Coordinated Entry System</p>
<p>Cienega Heights 37 PBV units</p>	<p>1515, 1615, 1715 Brewington Avenue, Watsonville</p>	<p>32 Standard PBV units – lottery number on the HCV waiting list and any applicable preferences.</p> <p>5 Farmworker units for farmworker families selected from the owner-maintained site-based farmworker waiting list, with a preference for farmworker families also on the HCV waiting list. Upon exhaustion of the owner-maintained waiting list, Families may be selected from the Housing Authority Farmworker PBV Waiting List</p>

<p>Sparrow Terrace 43 PBV units</p>	<p>139 & 141 Miles Lane Watsonville</p>	<p>25 Standard PBV units – lottery number on the HCV waiting list and any applicable preferences.</p> <p>12 Farmworker units for farmworker families selected from the owner-maintained site-based farmworker waiting list, with a preference for farmworker families also on the HCV waiting list. Upon exhaustion of the owner-maintained waiting list, Families may be selected from the Housing Authority Farmworker PBV Waiting List.</p> <p>6 Permanent Supportive Housing (PSH) units for families - referred through the Continuum of Care’s Coordinated Entry System</p>
<p>Jessie Street 48 PBV units</p>	<p>314 Jessie Street Santa Cruz</p>	<p>13 Standard PBVs – lottery number on the HCV Waiting List and any applicable preferences.</p> <p>13 units for families - referred through the Continuum of Care’s Coordinated Entry System</p> <p>19 HUD-VASH units – families referred by the Department of Veterans Affairs</p> <p>3 units for veterans ineligible for VASH – families selected first by lottery number on the HCV Waiting List and any applicable preferences will be applied. If no eligible households can be identified on the HCV waiting list, households will be referred by the Department of Veterans Affairs</p>

Waiting List Preferences for Designated Groups on the Housing Choice Voucher Waiting List

The waiting list preferences are described below. All preferences are verified. These preferences will not have the purpose or effect of delaying or otherwise denying admission to the program based on the race, color, ethnic origin, gender, gender identity, sexual orientation, religion, disability, or age of any member of an applicant family. Unless otherwise stated, waiting list preferences apply to the Santa Cruz County Housing Choice Voucher Waiting List. All preferences adopted by the Housing Authority are based on local housing needs and priorities as determined by the Housing Authority. With the exception of these waiting list preferences, all other applicants on the Housing Choice Voucher waiting lists will be assisted by lottery.

1. Live/Work Residency Preference:

The Housing Authority has established a partial live/work residency preference, such that 75% of regular admission families selected from the waiting list will be selected by waiting list preference and lottery number utilizing a residency preference for applicants who either currently live or work, or have been hired to work, in the jurisdiction of the waiting list, and 25% of the regular admission families selected from the waiting list will be selected by waiting list preference and lottery number without regard to residency.

The residency preference is applicable to the Santa Cruz County Housing Choice Voucher Waiting List for households with a head of household, spouse or registered domestic partner that lives/works, or has been hired to work in Santa Cruz County and the Hollister/San Juan Bautista Housing Choice Voucher Waiting List (for households with a head of household, spouse or registered domestic partner that lives/works or has been hired to work in San Benito County.) It is not applicable to the Family Unification Program, Foster to Youth Independence, or Mainstream Voucher Program. The residency preference ensures that the majority of the Housing Choice Vouchers, which have been awarded to the Housing Authority by HUD to serve our jurisdiction, will be made available to those who live or work in the jurisdiction. When issuing vouchers for programs in which applicants are selected from the Housing Choice Voucher waiting list based on lottery number, the Housing Authority will apply the live/work residency preference first. Applicants will then be screened for program-specific eligibility requirements, including any additional preferences applicable to the program. For referral-based programs or preferences, including those administered through partner agencies, referral requirements will govern eligibility, and such programs may require that the referred household meet residency criteria as specified in the applicable referral documentation.

Upon the re-opening of the combined Santa Cruz County-Hollister-San Juan Bautista Housing Choice Voucher Waiting List, the residency preference as it relates to pre-applicants on that combined waiting list will function as follows:

- When selecting pre-applicants for Hollister/San Juan Bautista vouchers, the San Benito County residency preference will be applied
- When selecting pre-applicants for all other voucher types to which a residency preference is applicable, the Santa Cruz County residency preference will be applied

2. Disabled and Medically Vulnerable Homeless Persons (DMV):

The Housing Authority has adopted a limited waiting list preference for disabled and medically vulnerable homeless persons. The Continuum of Care (CoC), utilizing the Coordinated Entry System administered by the County of Santa Cruz Human Services Department (HSD), provides referrals for homeless persons who meet all of the following criteria:

- a. Disabled as defined by HUD at 24CFR 5.403.
- b. Medically vulnerable as determined by Coordinated Entry System prioritization policies.
- c. Homeless as defined by HUD per the HEARTH Act in Federal Register / Vol. 76, No. 233.
- d. Have established a case management plan with a provider of housing supportive services within Santa Cruz County.

A maximum of 150 households may be assisted by this preference program at any given time. The Housing Authority may continue to accept referrals for persons eligible for this preference while the HCV waiting list is closed. DMV voucher holders who have been stably housed for 2 years may “graduate” into the regular voucher program if they are in good standing with the program and there are vouchers/funding available. At that time, the DMV voucher would be available for the next eligible family referred to the Housing Authority. The operational roles and responsibilities of the DMV preference program are specified in an MOU between the CoC, HSD, and HACSC.

3. Homeless Families with Minor Children (HFMC):

The Housing Authority has adopted a limited waiting list preference for homeless families with minor children. The preference is for applicants already on the Santa Cruz County Section 8 waiting list who meet the following criteria:

- a. Homeless as defined by HUD per the HEARTH Act in Federal Register / Vol. 76, No. 233.
- b. Head of household or spouse lives or works in Santa Cruz County
- c. Head of household or spouse has at least one minor child residing with household

The Housing Authority will identify potentially eligible families who are already on the Santa Cruz County Section 8 waiting list. Eligible families will be referred to the Human Services Department (HSD) of the County of Santa Cruz. HSD will provide an appropriate level of case management to the homeless family, including assistance with the voucher eligibility application and paperwork and rental search assistance. Although the homeless family is not required to accept case management, HSD will offer case management for at least one year.

A maximum of 40 households may be assisted by this preference program at any given time. If there are no eligible homeless families that can be identified on the Santa Cruz County Housing Choice Voucher waiting list, or that respond to Housing Authority requests for application, the Housing Authority may accept referrals from HSD for persons eligible for this preference while the HCV waiting list is closed. Homeless family preference voucher holders who have been stably housed for 2 years may “graduate” into the regular voucher program if they are in good standing with the program and there are vouchers/funding available. At that time, the homeless family preference voucher would be available for the next eligible family.

4. Homeless Families with Minor Children for Brommer Street Supportive Housing Units:

The Housing Authority has adopted a limited waiting list preference for homeless families with minor children for residency of six supportive housing units at the Brommer Street Supportive Housing Program. The Housing Authority will accept direct referrals of homeless families with minor children from the County of Santa Cruz Human Services Department (HSD) in accordance with the MOU.

5. Disabled Transitioning from Institutions (DTI):

The Housing Authority has adopted a limited waiting list preference for disabled persons transitioning from institutions into community-based settings, and persons at serious risk of institutionalization for persons who meet the following criteria:

- a. Disabled as defined by HUD at 24CFR 5.403.
- b. Transitioning Individuals must either be currently living in, or at serious risk of being admitted to, a qualified institution at the time of referral to the Housing Authority or must have been living in a qualified institution no more than 90 days prior to the referral to the Housing Authority.

On a case-by-case basis, the Housing Authority may issue a DTI voucher to an individual who is at imminent risk of death or who will not be able to receive lifesaving medical care without housing. Such cases will be approved by the Executive Director.

Qualifying institutions include intermediate care facilities, licensed residential facilities, and specialized institutions that care for the intellectually disabled, developmentally disabled, physically disabled or mentally ill. This definition does not include board and care facilities (such as adult homes, adult day care, and adult congregate living).

Referral Agency / Supportive Services – Qualifying individuals must be referred by a service provider agency that has entered into a memorandum of understanding (MOU) with the Housing Authority. The following service provider agencies have MOUs with the Housing Authority: Central Coast Center for Independent Living (CCCIL), Coastline Supportive Living, County Mental Health, Housing Choices Coalition, San Andreas Regional Center (SARC). The service provider will document and certify the eligibility criteria above (disability status and transition from qualifying institution). The service provider must also certify that the individual is ready to transition out of an institutional environment and must have a case management plan to assist the individual with the transition. Additionally, the service provider must assist the individual with all aspects of the Housing Choice Voucher program, including completing applications, obtaining documentation of income, attending Housing Authority appointments with the client, and assisting the client in finding and maintaining housing.

A maximum of 12 households may be assisted by this preference program at any given time. The Housing Authority may continue to accept referrals for persons who would be eligible for this preference while the waiting list is closed. DTI voucher holders who have been stably housed for 2 years may “graduate” into the regular voucher program if they are in good standing with the program and there are vouchers/funding available. At that time, the DTI voucher would be available for the next eligible family referred to the Housing Authority.

6. Mainstream Vouchers:

The Housing Authority has received 240 Mainstream Vouchers.

The Housing Authority has established an admissions preference for Mainstream Vouchers.

Waiting list applicant households that include a household member aged 18-61 who is a person with a disability will be offered a Mainstream Voucher based on lottery and any applicable preferences. Persons eligible for Mainstream Vouchers include, but are not limited to, those who are transitioning from institutions, at serious risk of institutionalization, homeless or at risk of homelessness.

7. Graduates of the Continuum of Care (CoC) Shelter Plus Care (S+C) Program, Family Unification Program (FUP) Youth, and Foster Youth to Independence in Project Based Voucher units:

The Housing Authority has been awarded competitive grants for permanent supportive housing for people experiencing chronic homelessness. A program known as Shelter Plus Care is a partnership between the Housing Authority and the County Health Services Agency to provide wrap-around services from outreach and eligibility to housing stabilizing services.

S+C recipients who have been stably housed for 2 years may “graduate” into the regular voucher program if they are in good standing with the program and there are vouchers/funding available. At that time, the S+C assistance would be available for the next eligible family referred to the Housing Authority by the Santa Cruz County Health Services Agency as the local CoC.

The Housing Authority provides a preference within the HCV voucher program for Family Unification Program Youth or Foster Youth to Independence in Project Based Voucher units, wherein they may graduate into the regular HCV voucher program when they have reached the maximum period of assistance under FUP and are in good standing with the program.

8. Temporary Measures during Periods of Low Utilization Rate:

During times of low voucher or funding utilization (under 97%), the Housing Authority may utilize the following measures:

- a. Lease In-Place Option. This preference will only be applicable to applicants already on the waiting list who currently live in the Housing Authority jurisdiction and reside in a unit that meets HQS standards.
- b. Eviction Prevention. The Housing Authority may accept direct referrals from the Community Action Board of Santa Cruz County (CAB) of families at imminent risk of homelessness due to eviction for economic reasons. The Eviction Prevention preference will be limited to applicants on the HCV waiting list and the preference will be limited to 24 vouchers.

9. Early Family Right to Move in Project-Based Voucher Units

Prior to a family completing its one-year assistance requirement in PBV units, if the owner and the family agree to mutually terminate the tenancy, the Housing Authority, at its discretion, may agree to allow the family to transfer with an HCV.

10. Former Low-Income Public Housing (LIPH) Waiting List Applicants

Former LIPH waiting list applicants who were transferred to the Housing Choice Voucher Waiting List at the time of the Streamlined Voluntary Conversion of the LIPH Program will be given priority for appropriately sized former LIPH units.

11. Graduation to the HCV Program

The Housing Authority may “graduate” families from special purpose vouchers to a regular HCV by prioritizing the family for the next available HCV.

12. Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes

At the sole discretion of the Executive Director, families currently participating in any Housing Authority administered voucher program that are at risk of losing rental assistance due to funding constraints or changes in program or eligibility requirements will be issued the next available HCV, PBV, or special purpose voucher for which the household is eligible. This waiting list preference is applicable to all Housing Authority administered waiting lists. If there are more families at risk of losing assistance than there are HCVs or special purpose vouchers available, families will be provided assistance in this order:

1. For Households that Had an Active Housing Choice Voucher or Other Special Purpose Voucher and Were Transferred to the Impacted Special Purpose Voucher Program
 - a. Date of HCV or special purpose voucher issuance. If more than one household has the same date of voucher issuance, date of placement or lottery number on the HCV Waiting List will be used as a tiebreaker.
2. For Households on the HCV Waiting List Prior to Issuance of the Special Purpose Voucher
 - a. Date of placement or lottery number on the HCV Waiting List
3. For Households NOT on the HCV Waiting List Prior to Issuance of the Special Purpose Voucher
 - a. Date of admission. If more than one household has the same date of admission, voucher issuance will be used as a tiebreaker, followed by referral date as an additional tiebreaker when necessary.

Admission of Low-Income Families

Low-income families (up to 80% median household income) may be admitted to the program if they are working families (defined as a family in which the head, spouse or sole member is employed). In addition, low-income families in which the head and spouse or sole member is age 62 or over or is a person with disabilities may be admitted under this section.

Targeting

Notwithstanding the above, if necessary to meet the HUD MTW statutory requirement that 75% of newly admitted families in any fiscal year be families who are very low-income (incomes not exceeding 50% of area median income), the Housing Authority retains the right to select very low-income families ahead of other eligible families on an as-needed basis to ensure the HUD MTW income targeting requirement is met. This measure will only be taken if it appears the goal will not otherwise be met. To ensure this goal is met, the Housing Authority will monitor incomes of newly admitted families.

Opening and Closing the Waiting list

When the Housing Authority opens a waiting list, the opening will be announced publicly on our website, on our waiting list phone line, in our lobby, in local newspapers of general circulation, and other appropriate media such as email and/or social media sites. The Housing Authority will affirmatively further fair housing by conducting strategic outreach through diverse community partners to inform the public when the waiting list opens.

The Housing Authority may accept applications by mail, via internet, by fax, and by other methods that encourage equal access and opportunity to apply for all persons, including those with disabilities.

The Housing Authority reserves the right to open and close waiting lists at any time.

Changes to Head of Household or Family Members While on the Waiting List

While on the waiting list, the head of household may be changed to another family member under the following circumstances:

1. If the family splits into two or more families, the family containing the head of household retains placement on the waiting list.
2. If the head of household dies, another member can become the head of household if they provide verification of the death, and if they have the legal capacity to enter into a lease.
3. If the head of household no longer has the legal capacity to enter into a lease, another member can become the head of household if they provide verification of the incapacitation and if they have the legal capacity to enter into a lease.
4. If the head of household engages in criminal activity directly related to domestic violence, dating violence, sexual assault or stalking (known as Violence Against Women Act crimes – VAWA) against a household member or affiliated individual, another member of the household can become the head of household if they provide verification of VAWA. When a family break-up results from the occurrence of domestic violence, the PHA must ensure that the victim retains assistance. (See 24 CFR 982.315(a).)

The Housing Authority may consider additional exceptions on a case-by-case basis.

The “applicant family” is defined as those persons who were included in the full initial application for assistance and who meet the HUD definition of “family”.

Any household members whom the applicant family wishes to add after the initial eligibility determination must meet the criteria listed in Section XVIII of this Plan. Changes to family members will not be processed while applicants are on the waiting list. All changes will be processed at the time of the initial eligibility determination or thereafter.

Selecting Applicants for the Moderate Rehabilitation Program

Vacant units under contract will be rented to eligible families referred either by the Housing Authority from the Housing Choice Voucher waiting list or through Homeless Persons Health Project as applicable.

II. Issuing or Denying Housing Choice Vouchers, Term of the Housing Choice Voucher, and Extensions or Suspensions of the Term

All Housing Choice Vouchers are issued with an initial term of at least 60 days, except FUP, FYI, VASH, Mainstream, Emergency Housing Vouchers, and Stability Vouchers, all of which must be issued for a minimum initial search term of at least 120 days. The family must submit a Request for Tenancy Approval within the initial voucher term or request an extension. The Housing Authority allows families to submit one Request for Tenancy Approval at a time. One or more

extensions of at least an additional 60 days will be considered, subject to voucher and funding availability.

Mainstream, FUP, and FYI voucher extensions must be for at least 90 days, and a first extension approval may not be restricted to certain circumstances or require documentation from applicants. For all special purpose voucher holders and disabled households, written or verbal extension requests are sufficient and no justification for the request is required.

The Housing Authority will provide written notice to the family when granting an extension. The number and duration of extensions may depend on a number of factors including market conditions and availability of vouchers / funding.

The Housing Authority will grant additional extensions on an individual case basis as reasonable accommodation for Housing Choice Voucher holders with disabilities. Third party verification of disability and need for extension is required. The extension may be granted after the Housing Authority has received such verification from a doctor, other health care professional or a social worker with medical or professional knowledge of the person's disability. If acceptable verification is not received within 60 days of the Housing Authority's request, the extension may be denied.

See Section IV Occupancy Standards (Standards for denying admissions or terminating assistance) for information about denying assistance for applicants.

III. Special Purpose Programs

Over time, HUD has awarded the Housing Authority with funding for specific voucher types to serve specific populations. In some instances, these special programs offer vouchers to eligible persons from the Housing Choice Voucher (HCV) waiting list. In other instances, vouchers are issued based on referrals from service providers. All special voucher programs are listed and described below. If special program vouchers are project based, the unique eligibility criteria described below will be preserved.

Veterans Assisted Supportive Housing / VASH (442 vouchers)

The Department of Housing and Urban Development (HUD) and the Veterans Administration (VA) have partnered to create a program for homeless veterans. This program combines HUD Housing Choice Voucher rental assistance with the Department of Veterans Affairs case management and clinical services provided at its medical centers and in the community. Funding for this program is limited to housing authorities that partner with "eligible Veterans Affairs Medical Centers (VAMCs) or other entities as designated by the VA."

VASH vouchers are not issued based on placement on Housing Authority waiting lists. Instead, referrals for eligible homeless veterans are provided by the Veterans Administration. The Housing Authority will administer the VASH program in accordance with HUD VASH rules and regulations, which may differ from the Housing Choice Voucher Program.

Family Unification Program (FUP) and Foster Youth to Independence (FYI) (259 vouchers)

Family Unification Program and Foster Youth to Independence (FYI) vouchers have been made available by HUD for this program. The Family Unification Program (FUP) vouchers are reserved

for families for which lack of adequate housing is a primary factor in the imminent placement of their a child or children in out-of-home care or in the delay of discharge of a child or children to the family from out-of-home care and for youth, 18-24 years old, who left foster care, or will leave foster care within 90 days, and are homeless or at risk of becoming homeless. FYI vouchers are reserved for youth, 18-24 years old, who left foster care, or will leave foster care within 90 days, and are homeless or at risk of becoming homeless. To be considered for FUP/FYI assistance, applicants will be identified and certified for eligibility by the County Human Services Department (HSD).

HSD provides referrals to the Housing Authority based on comprehensive risk assessment and FUP/FYI-eligibility determination. HSD will provide written certification to the Housing Authority that a family or a youth qualifies as a FUP/FYI-eligible family or youth. A family will be certified as eligible if it is determined that (1) the children are at imminent risk of placement in out-of-home care or at risk of having their discharge to the family from out-of-home care delayed (2) the lack of adequate housing is a primary factor in the risk of placement or delay of discharge and (3) the family meets all other eligibility requirements for Section 8 assistance; youth will be certified as eligible by age, foster care history, and homelessness risk. Youth will also be identified through the county Coordinated Entry System. FUP Youth and FYI vouchers have a HUD imposed 36- month limit on rental assistance, except for the provisions under Fostering Stable Housing Opportunities (FSHO).

For youth who first leased a unit with a FUP/FYI voucher after December 27, 2020, the provisions of Fostering Stable Housing Opportunities (FSHO) apply. FSHO provides a 24-month extension of voucher assistance for:

1. FUP/FYI youth who are participating in a Family Self-Sufficiency (FSS) Program under Section 23 of the U.S. Housing Act or an MTW self-sufficiency program.
 - a. If the youth is offered an FSS slot during their first 36 months of FUP assistance, the youth must participate in the FSS program to receive an extension of assistance.
 - b. If the youth is offered an FSS slot after the 36-month mark, the youth may choose to accept the FSS slot or decline the slot and meet the education, workforce development, or employment requirement instead.
2. FUP/FYI youth who were unable to enroll in FSS but engaged in education, workforce development, or employment, or employment activities for at least 9 months of the 12-month period preceding the extension. The youth is considered unable to enroll in FSS if the youth has not been offered an FSS slot during the first 36 months of receiving FUP/FYI assistance.
 - a. The youth must have engaged in at least one of the following activities for not less than 9 months of the 12-month period preceding each extension.
 - i. Education:
 1. The youth was engaged in obtaining a “recognized postsecondary credential” or a “secondary school diploma or its recognized equivalent;” or
 2. The youth was enrolled in an “institution of higher education” a “proprietary institution of higher education,” or a “postsecondary vocational institution” as defined in the Higher Education Act.

- ii. Workforce Development: The youth was participating in a career pathway, as such term is defined in section 3 of the Workforce Innovation and Opportunity Act (WIOA).
 - iii. Employment: The youth was employed.
3. FUP/FYI youth who meet one of the statutory exceptions:
- a. Are responsible for the care of a dependent child under the age of 6 or for the care of an incapacitated person;
 - b. Are regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program; or
 - c. Are incapable of complying with the requirement to participate in an FSS program or engage in education, workforce development, or employment activities, as applicable, due to a documented medical condition.

Responsibilities for administering the Family Unification Program are as follows: The Housing Authority will be responsible wholly or in part for

- 1. accepting referrals from HSD;
- 2. sorting the HCV waiting list to identify applicants who may qualify;
- 3. certifying HCV voucher eligibility and issuing vouchers providing orientation to the Section 8 Housing Choice Voucher Program;
- 4. offering training to HSD and other HSD-subcontract agencies on HCV procedures;
- 5. convening regular meetings with HSD and the Consortium of Care (CoC) Homeless Action Partnership; and
- 6. approving rental agreements for FUP and processing HAP contracts.

The Human Services Department will be responsible wholly or in part for

- 1. seeking and identifying eligible families and making referrals to the Housing Authority;
- 2. certifying special program eligibility;
- 3. assisting in identifying and securing housing appropriate to the family's size and needs;
- 4. offering training on HSD referral procedures to the Housing Authority and HSD-subcontractors; and
- 5. providing case management and some or all of the following supportive services:
 - a. child welfare and family reunification services
 - b. vocational training and educational assistance
 - c. childcare assistance
 - d. health, mental health, and substance abuse services
 - e. renter education
 - f. job search and placement assistance.

All FUP/FYI families and youth will be offered the opportunity to join the Family Self Sufficiency program.

FUP/FYI recipients who have been stably housed for 2 years may "graduate" into the regular voucher program if they are in good standing with the program and there are vouchers/funding

available. At that time, the FUP/FYI assistance would be available for the next eligible family referred to the Housing Authority by the Human Services Department.

Issuance as a Reasonable Accommodation

A Housing Choice Voucher may be issued as reasonable accommodation to persons with disabilities who live in a unit owned or managed by the Housing Authority if;

1. A doctor, other health care professional or a social worker with medical or professional knowledge of the person's disability has verified the disability related housing need, and
2. there is not an acceptable unit available for the family in the Housing Authority owned or managed program, or the length of the wait for a vacancy of an acceptable unit is determined to be unreasonably long (at least one year).

Disabled Vouchers (138 vouchers)

HUD has made available vouchers for disabled applicants on the Housing Choice Voucher waiting list. These vouchers are issued to eligible applicants based on their waiting list preference status and lottery.

Medicaid Waiver Program (27 vouchers)

HUD has made available vouchers for persons participating in the Medicaid Home and Community Based Waiver Program. The Medicaid waiver vouchers are reserved for disabled persons, also covered under a waiver of Section 1915(c) of the Social Security Act, who are Medicaid-eligible at risk of being placed in intermediate care facilities. The voucher would allow them to be cared for in their homes and communities. These individuals are thereby assisted in preserving their independence and ties to family and friends at a cost no higher than that of institutional care.

Responsibilities for administering the Medicaid Waiver Program are as follows: The Housing Authority will be responsible wholly or in part for

1. certifying voucher eligibility
2. providing orientation with regards to the Section 8 Housing Choice Voucher Program
3. approving rental agreements

The local agencies administering 1915c waiver programs will be responsible wholly or in part for

1. seeking and identifying eligible individuals/families
2. certifying special program eligibility
3. assisting in identifying and securing housing appropriate to the household's needs
4. providing case management

Medicaid Waiver vouchers are issued based on placement on the Medicaid Waiver waiting list. Eligible referrals are provided by social service agencies with a current MOU with the Housing Authority to provide referrals and services. Those referrals produce the Medicaid Waiver waiting list. Social service agencies with a current MOU with the Housing Authority are as follows: Dignity Health and Medical Foundation, Housing Choice Coalition, Health Project Center, Santa Cruz County Health Services Agency, Santa Cruz County Human Services Department.

Welfare to Work Program (24 vouchers) (WtW)

HUD has made vouchers available for persons participating in the CalWORKs Welfare to Work Program. The Welfare to Work vouchers are reserved for CalWORKs participants. They are intended to be a key part of the strategy to support the efforts of Santa Cruz County families who are working towards self-sufficiency. Welfare to Work vouchers are not issued based on placement on the Housing Choice Voucher waiting list. Instead, eligible referrals are provided by the Santa Cruz County Human Services Department (HSD).

Responsibilities for administering the Welfare to Work vouchers are as follows:

The Housing Authority will be responsible wholly or in part for

1. certifying voucher eligibility;
2. providing orientation with regards to the Section 8 Housing Choice Voucher Program; and
3. approving rental agreements.

The Human Services Department will be responsible wholly or in part for

1. screening and refer CalWORKs participants;
2. assisting CalWORKs participants who receive vouchers with housing-related issues and work with Housing Authority staff to resolve those issues;
3. supporting housing stability for eligible CalWORKs participants who receive vouchers by providing them with comprehensive services including individual assistance in the areas of vocational training and assessment, job search and upgrade, on-the-job training, transportation assistance, childcare, participation in Medical/Medi Cruz as appropriate, counseling services for substance abuse, domestic violence and mental health issues and other supportive services; and
4. coordinating participant involvement in programs offered through the Small Business Development Center, Career Centers, and Cabrillo Student Resource Support Network.

If the Human Services Department informs the Housing Authority that a Welfare to Work voucher holder has graduated from the program, the Housing Authority may absorb that program participant into the regular Housing Choice Voucher program if a voucher is available and if the program participant is in good standing, and if the participant has been stably housed for two or more years. At that time, the Welfare to Work voucher would be available for the next eligible family referred by the Human Services Department.

Emergency Housing Vouchers (EHV)

The Department of Housing and Urban Development (HUD) has awarded the Housing Authority Emergency Housing Vouchers (EHV) to continue relief from the COVID-19 pandemic impacts.

Eligibility for these EHV's is limited to individuals and families who are (1) homeless; (2) at risk of homelessness; (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking; or (4) recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability. EHV's are tenant-based rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)).

The EHV allocation from HUD is accompanied by a one-time service fee to support the efforts of implementing the program. The Housing Authority will use this service fee in accordance with the requirements established in PIH 2021-15, as well as any subsequent HUD guidance. Use of the service fees may include security deposits assistance, owner-related recruitment, incentives, and retention programs, move-in assistance, and tenant readiness services, or any other allowable use that supports the rapid issuance and utilization of these vouchers.

In most respects, EHV's will be administered like the regular HCV program. However, EHV's will not be issued based on placement on Housing Authority waiting lists. EHV's will be issued based on referrals from the County Continuum of Care (CoC) in accordance with an MOU with the County Human Services Department (HSD), who act as the lead agency for the CoC. Additionally, criteria for admission into the voucher program will be more flexible for EHV's, in accordance with PIH 2021-15. Based on HUD's waiver of 24CFR982.552 and 982.553, the Housing Authority will only deny admission for the EHV program based on criminal history in the following circumstances:

1. If any member of the household has ever been convicted of a drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing; or
2. If any member of the household is subject to a lifetime registration requirement under a State sex offender registration program to EHV applicants.

The Housing Authority may "graduate" EHV households into the regular HCV program, or any applicable HCV preference or voucher type, in order to maximize utilization and provide assistance to the maximum number of homeless applicants. Families will be graduated in order of date of admission to the EHV Program, subject to any other applicable waiting list preferences.

The Housing Authority will operate EHV in accordance with MTW administrative flexibility that are not otherwise in conflict with the EHV Operating Requirements.

The EHV program sunset on September 30, 2023. As of that date, all households housed through the EHV program will continue to receive rental assistance for as long as they remain eligible and as long as HUD funding allows. However, new EHV vouchers may not be issued after this date unless new EHV vouchers are awarded by HUD. Therefore, as EHV program participants leave the program, turnover vouchers will not be issued, and the program will eventually end through attrition.

Stability Vouchers (SV) (41 Vouchers)

The Department of Housing and Urban Development (HUD) has awarded the Housing Authority Stability Vouchers (SV) to assist households experiencing or at risk of homelessness, those fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, human trafficking, and veterans and families that include a veteran family member.

Household Eligibility. In accordance with Notice PIH 2022-24, in order to be eligible for a Stability Voucher, a household must meet one of four eligibility criteria:

1. Individuals and families who are currently experiencing homelessness;

2. Individuals and families at risk of homelessness;
3. Individuals and families fleeing, or attempting to flee, domestic violence, dating violence, stalking, sexual assault; and
4. Veterans and families that include a veteran family that meet one of the preceding criteria.

Referrals will be made based on the CoC-approved Coordinated Entry System (CES) prioritization. The County and CoC will work to pair eligible households with appropriate supportive services to help with securing and maintaining housing.

HACSC operates the following Special Purpose Voucher programs in accordance with MTW flexibilities: Mainstream, FUP, VASH, EHV, and Stability.

IV. Occupancy Policies

Definition of a Family

A family is a person or group of people related by blood, marriage, adoption, or affinity that live together in a stable family relationship. Furthermore, the Housing Authority has adopted HUD's definition of "family" as defined in 24 CFR 5.403. This definition of family includes single individuals, single persons who are youth, as well as groups of people residing together, regardless of actual or perceived sexual orientation, gender identity, or marital status.

Each family contains a head of household, who must be at least eighteen years old, or if under 18, they must be an emancipated minor. Each family member must reside in the assisted unit more than 50% of the time (at least 184 days out of the year). Children who are temporarily away from the home because of placement in foster care and military servicepersons on active duty are considered part of the family if they would otherwise be living in the assisted unit.

Foster children, foster adults, live-in aides and family members of live-in aides are considered non-familial household members and are not considered family members, temporary family members, or guests.

Definition of a Household

Household is a broader term that includes additional people who, with the Housing Authority's consent, may live in an assisted unit, such as foster children, foster adults, and live-in aides.

Definition of a Foster Child

A member of the household who meets the definition of a foster child under State law. Generally, a foster child is placed with a family by a government child welfare agency or through a court order.

Definition of a Foster Adult

A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. Generally, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with a family by an authorized placement agency or by court order.

Definition of a Live-in-Aid

A person who resides with one or more elderly, near-elderly, or persons with disabilities who

1. Is determined to be essential for the care and well-being of the persons.
2. Is not obligated for the support of the persons.
3. Would not be living in the unit except to provide the necessary supportive services.

Definition of a Temporary Family Member

A temporary family member is a member of an assisted family that has been approved by the Housing Authority and resides in the assisted unit less than 50% of the time (less than 184 days of the year).

Temporary Family Members Who Move in and out of the Unit

The income of a temporary family member is counted towards household income while the temporary family member resides in the assisted unit. Therefore, temporary family members who move into the unit for a period of time will be added to the household with an interim while they are living in the unit. Later, they will be removed from the household when they move out of the unit. Temporary family members are not considered for purposes of determining voucher size, even if their income is counted. Additionally, temporary family members are not eligible to receive the voucher in the event that the family breaks up.

Temporary Minor Family Members Who Stay in the Unit a Few Days Per Week

Minor children who stay in the household a few days per week (less than 50% of the time and less than 184 days of the year) will not be added to the household. No persons other than minor children will be approved to stay in the household for a few days per week. Instead, other individuals will be considered to be guests (see definition of guest).

Definition of a Guest

A guest is a person temporarily staying in the assisted unit with the consent of the family and landlord to the extent allowable by the lease. No guest may stay in the assisted unit for more than 30 cumulative days during any twelve-month period.

Definition of When a Family Is Continuously Assisted

Low-income families are eligible for Section 8 assistance if they are continuously assisted under the 1937 Housing Act. For the purposes of determining eligibility, a 120-day break in assistance is considered “continuity of assistance.”

Standards for Denying Admission or Terminating Assistance

The Housing Authority may deny assistance to an applicant or terminate assistance for a participant for the following reasons:

1. If the family violates any family obligations under the program as outlined under obligations of participant
2. If any member of the family has ever been evicted from federally assisted housing in the last 5 years.
3. If a housing authority has ever terminated assistance under the voucher program for any member of the family
4. If any member of the family commits drug-related criminal activity, or violent criminal activity, including conviction for manufacturing or producing Methamphetamine.

5. If any member of the family commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
6. If the family currently owes rent or other amounts to any housing authority or to an owner in connection with Section 8 or public housing assistance under the 1937 Act.
7. If the family has not reimbursed any housing authority for amounts paid to an owner under a Housing Assistance Payments (HAP) contract for rent, damages to the unit, or other amounts owed by the family under the lease.
8. If the family breaches an agreement with the Housing Authority to pay amounts owed to a housing authority, or amounts paid to an owner by a housing authority.
9. If the family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel
10. If any member of the household is subject to a lifetime sex offender registration requirement under a State sex offender program
11. If there is reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
12. If the Housing Authority determines that any household member is currently engaged in illegal use of a drug, or if a pattern of illegal drug use by a household member interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
13. If the Housing Authority determines that any family member has violated the family's obligation not to engage in any drug-related or violent criminal activity.
14. For a variety of criminal or drug-related activities as permitted under HUD regulations.
15. The Housing Authority will deny admission or terminate assistance for applicants or participants in violation of current applicable HUD rules and regulations or Housing Authority policy.
16. The Housing Authority will deny admission for applicants that do not meet the current applicable HUD eligibility requirements.

The Housing Authority has the discretion to consider all relevant factors such as the seriousness of the case, the extent of participation or culpability of individual family members, past history, recency of criminal activity, age at time of criminal/drug or alcohol activity, mitigating factors such as relevant program treatment certifications, character references, circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action.

The Housing Authority will ensure an otherwise qualified applicant will not be denied admission or have assistance terminated solely on the basis that the applicant/participant has been a victim of domestic violence, dating violence, sexual assault or stalking (VAWA crimes). The Housing Authority has policies and procedures that will ensure notification of applicants and participants of their VAWA rights and responsibilities.

V. Encouraging Participation by Owners Outside Areas of Low-Income and Minority Concentration

To expand the number of rental property owners participating in the Housing Choice Voucher Program, the Housing Authority mails promotional material to property management agencies on

an as-needed basis and conducts landlord briefings on an at-least annual basis. The Housing Authority encourages property owners throughout the jurisdiction, including in areas of lower poverty rates, to accept Housing Choice Vouchers. The Housing Authority collaborates in community-wide outreach to encourage landlords in all areas to accept housing assistance tenants.

Specific steps include the following:

Actions to encourage participation by owners of units outside low-income areas The Housing Authority of the County of Santa Cruz contacts owners of units throughout the County and endeavors to make personal or phone contact with as many owners of rental units as possible especially in the areas of higher income and opportunity.

Actions to explain program requirements including equal opportunity to owners:

The Housing Authority of the County of Santa Cruz works closely with real estate professionals. Personal appearances and speeches are made to civic and other organizations and groups to explain the programs to owners and applicants. Brochures are published and available to owners.

Property Agent Incentive Programs

The County of Santa Cruz has provided funding to provide initial lease-up funds for property agents (owners/managers) renting to households either at-risk-of or currently experiencing homelessness. The qualifying special population tenant-based voucher/subsidy programs for this incentive include:

Disabled Medically Vulnerable (DMV), Family Unification Program (FUP), Foster Youth to Independence (FYI), Welfare to Work (WtW), Homeless Families with Minor Children (HFMC), Veterans Affairs Supportive Housing (VASH), Mainstream COVID, Stability Vouchers, and Shelter Plus Care. Additional homelessness designated vouchers may be included upon approval by the County.

The Housing Authority, along with all local jurisdictions within the County of Santa Cruz, have provided funding for a risk mitigation program which is available to all landlords and property agents participating in HACSC voucher programs regardless of voucher type utilized by the tenant.

VI. Assisting a Family That Claims Illegal Discrimination

The Housing Authority assists families that claim illegal discrimination by including discrimination complaint forms in every briefing packet as well as mailing complaint forms to participants upon request; and referring families to the appropriate state and/or federal agency. The Housing Authority ensures all policies, procedures and staff conduct are consistent with civil rights and fair housing.

Services to be provided if families allege that they have encountered discrimination after finding a unit: The Housing Authority of the County of Santa Cruz will make available the necessary informational forms and will assist with filing of any discrimination allegations upon request. Families will be referred to appropriate local, state or federal agency for further action.

Assistance to be given to Housing Choice Voucher holders in the exercise of their rights under Federal, State and/or Local Law: Housing Authority staff who are Spanish speaking will assist

Spanish speaking Housing Choice Voucher holders in exercising their rights. Program participants speaking languages other than English and Spanish will be accommodated as needed. The Housing Authority staff are familiar with the policies and procedures in the written Language Assistance Plan for serving Limited English Proficiency individuals. The Housing Authority arranges translations in Spanish and functions as a completely bilingual Spanish-English agency. The Housing Authority arranges translation and interpretation services as needed for those who do not speak English or Spanish.

Information on local, State and Federal Fair Housing laws and use of HUD Form-903 are provided as follows: The Fair Housing laws are outlined at the applicant's briefing, and the HUD Fair Housing forms and brochures are included in the Briefing Packets and given to all Housing Choice Voucher holders. Fair Housing posters are located in interview areas.

VII. Providing Information about a Family to Prospective Owners

The Housing Authority complies with HUD regulations governing the provision of information to owners. The Housing Authority will provide prospective owners the following information about the family by the prospective owner:

1. The family's current and prior address (as shown in Housing Authority records)
2. The name and address (if known to the Housing Authority) of the landlord at the family's current and prior address

The Housing Authority will not provide any additional information about the family to the prospective owner. Owners are encouraged to do their own tenant screening.

VIII. Disapproval of Owners

The Housing Authority may disapprove a prospective owner for violation of a HAP contract; violation of housing quality standards; or fraud, bribery, or corruption in connection with one of the Housing Authority programs. If a jurisdiction reports to the Housing Authority that an owner has a history of renting units that fail to meet state or local housing codes, the Housing Authority may disapprove an owner for that reason. The Housing Authority may also disapprove an owner for other reasons as allowed by HUD regulation.

IX. Subsidy Standards

Prior to issuing the Housing Choice Voucher or processing a change in household composition or a transfer, the appropriate voucher size for the family will be determined by applying the following criteria. Payment standards are based on the lower of either voucher size or unit size.

1. The Housing Authority will review each household composition to determine voucher size. An unborn child will not be counted as a person, unless the pregnant woman is the only person in the household, in which case the family will be treated as a two-person household.

Temporary household members, guests, and family members of live-in aides, (as defined above) will not be counted for the purpose of determining voucher size.

Children who are temporarily absent from the home due to placement in foster care and military servicepersons on active duty are considered part of the family if they would otherwise be living in the assisted unit; however, they will not be counted for purposes of determining voucher size while they are absent from the unit under the following conditions.

- a. Families with children placed in foster care will retain their voucher size for a minimum of twelve (12) months following the child's removal. After the twelve-month period, the child may be removed from the household at the next regular re-examination or after the family has been provided at least one hundred twenty (120) days' written notice. When the child returns from foster care placement, the household composition will be updated at an interim re-examination, and the voucher size and payment standard will be adjusted at that time. The family will not be required to wait until the next regular re-examination.
- b. Families with military servicepersons on active duty will be downsized at the first transfer or regular re-examination following the serviceperson's departure or after the family has been provided at least one hundred twenty (120) days' written notice. When the serviceperson returns from active duty, the household composition will be updated at an interim re-examination, and the voucher size and payment standard will be adjusted at that time without requiring the family to wait for the next regular re-examination.

On a case-by-case basis, the Housing Authority may allow minor children to be added to the household if adult household members are identified as stand-by guardians under the Childcare Safety Plan.

2. One bedroom will be allocated to the head of household and their spouse or registered domestic partner or significant other. One bedroom will be allocated to every two approved household members, regardless of gender, age, or familial status.
3. A household member must be a resident of the unit at least 51% of the time (at least 184 days of the year) to be counted as part of the household for the purposes of determining voucher size.

The subsidy standards are as follows. For the purpose of the tables below, the number of household members includes only those persons that are included when considering voucher size.

Subsidy Standards for the HCV Program

In the HCV Program, a family with a head of household AND spouse or registered domestic partner or significant other/domestic partner will be allocated the following:

Number of Household Members Impacting Voucher Size	Voucher Size
2	1
3	2
4	2
5	3
6	3
7	4
8	4
9	5
10	5

In the HCV Program, a family with a head of household and NO spouse or registered domestic partner or significant other/domestic partner will be allocated the following:

Number of Household Members Impacting Voucher Size	Voucher Size
1	1
2	2
3	2
4	3
5	3
6	4
7	4
8	5
9	5
10	6

When the Housing Authority determines that there is an adequate supply of studio (0 BR) units for rent, the agency may issue studio instead of one-bedroom vouchers to single- person families.

Subsidy Standards for the PBV Program

For the PBV Program, the following subsidy standards apply to all families of like size, regardless of composition.

Number of Bedrooms in Unit	Minimum Occupancy (Number of Persons)	Maximum Occupancy (Number of Persons)
SRO	1	1
0 (Studio)	1	2
1	1	3
2	2	5
3	4	7
4	5	9

Enhanced Vouchers

HUD may award the Housing Authority with Enhanced Vouchers to provide continued assistance to families adversely impacted by the termination of an affordable housing contract. The Housing Authority will use Enhanced Voucher assistance to meet HUD requirements. In implementing those requirements, the Housing Authority will determine if the bedroom size of the family's unit exceeds the number of bedrooms for which the family qualifies under the subsidy standards, which is an over-housed family, unless the family qualifies for reasonable accommodation. The Housing Authority will notify the family and the project owner. When the Housing Authority notifies the family of the availability of an appropriately sized unit, the family must move to the unit in a reasonable time not to exceed 30 days in order to retain the Enhanced Voucher. The Housing Authority may grant an exception to this timeframe when the family requests it due to an extreme hardship. Hardship exceptions to the 30-day limit may be granted for a death in the family or serious illness.

Exceptions and Live-in-Aides

Exceptions to the subsidy standards may be made as reasonable accommodation for persons with disabilities. All requests must be reviewed and approved in advance by the Reasonable Accommodations (RA) staff. If the voucher holder is approved for a live-in aide through RA staff, they are provided with a separate bedroom. A live-in-aide and all live-in-aide family members will be only allotted one bedroom. Household members of the live-in-aide may share a bedroom with the live-in-aide under the following conditions:

1. Only the live-in-aide spouse, registered domestic partner, or birth child may be added to the household.
2. The addition of the live-in-aide's family members will not be approved if it will cause overcrowding to the existing unit.
3. The live-in-aide's family members, like the live-in aide, are subject to all Housing Authority background checks and screening procedures.
4. The family will not receive a dependent allowance for the live-in aide's child.
5. The income of the live-in aide, live-in aide's spouse, live-in aide's registered domestic partner, or adult children of the live-in aide will not be counted.
6. All adult family members of the live-in aide must sign an agreement confirming that they understand they are not a member of the assisted family.

The live-in aide and the family members of the live-in aide, foster child, and foster adults are not considered family members, temporary family members, or guests. The Housing Authority may consider other unusual family circumstances when determining the voucher size to be assigned to a family. Neither the live-in aide nor any members of the live-in aide family have rights to the voucher, should the voucher household break up.

For families in PBV units, if family has a live-in-aide, the addition of the live-in-aide and all family members of the live-in-aide may exceed the maximum occupancy, provided that the live-in-aide and their family members have their own bedroom and they would not cause overcrowding in the unit.

Applicant Flexibility on Unit Size Actually Selected for Rental

It is emphasized that the unit size listed on the applicant's Housing Choice Voucher does not preclude the family from selecting either a smaller or larger sized unit.

The family may select a larger sized unit provided their portion of the rent does not exceed 50% of their adjusted monthly income at move-in. A family may select a smaller sized unit provided there is no HQS violation based on overcrowding. However, the payment standard used to determine the level of rental assistance will be based on the smaller of the payment standard for the voucher size or the payment standard for the unit size. Families electing to reside in a larger unit will pay a larger share of rent. Similarly, families electing to reside in a smaller unit will receive a smaller payment standard and will not benefit financially from choosing a smaller unit.

X. Family Absence from Dwelling Units

Families are permitted to be absent from their unit for up to thirty days without Housing Authority approval and continue to receive a HAP. With prior notice, longer absences, up to 180 days, may be permitted for documented cases of hospitalization, nursing home stays, and drug treatment, and other unusual circumstances to be determined on a case-by-case basis. During this time, the HAP will continue, and the tenant must continue to pay their portion of the rent. The HAP will not be paid for long absences for reasons other than those listed above. The contract, and therefore the lease, will automatically terminate after a 180-day absence as required by regulation.

XI. How to Determine Who Remains in the Program If a Family Breaks Up

The following guidelines determine who may continue to receive Housing Choice Voucher assistance if the household breaks up, due to the head of household no longer having the legal capacity to enter into a lease or if the head of household leaves or dies, or due to Violence Against Women Act crimes. In the event of this kind of family breakup, the following clauses are effective:

Persons who may NOT receive the voucher

1. No person may receive the voucher in the case of a family break up unless he/she has been a member of the family living in the household for at least the three consecutive prior years. Cases where the family has been on the program for less than three years will be forwarded to the Director of the Housing Programs Department for review on a case-by-case basis.
2. Neither a live-in aide nor any family members of a live-in aide may receive the voucher.
3. No temporary family member or guest may receive the voucher.
4. No minor may receive the voucher.

Persons who may receive the voucher

1. In the event of family break up, the voucher will automatically go to the head of household's spouse or registered domestic partner if applicable.
2. If the head of household does not have an eligible spouse or registered domestic partner, the Housing Authority has the discretion to determine whether or not any remaining household members may receive the voucher. The Housing Authority may consider the following factors:

- a. Whether or not the remaining family member is elderly or disabled
 - b. Whether or not the remaining family member has legal dependents that are living in the assisted unit
 - c. Whether or not a family member has been a victim of actual or threatened violence against family members by another member of the household
 - d. Whether or not the remaining family member is employed
 - e. Other relevant factors as determined by the Housing Authority on a case-by-case basis
3. If the family member who receives the voucher and becomes the head of household was also on the waiting list, the Housing Authority shall remove their name from the waiting list.

XII. Informal Review Procedures for Applicants

Informal reviews for applicants will be conducted in compliance with HUD regulations. Once applicants have been notified of their right to an informal review, they have 15 calendar days to request a review in writing.

Notice to Applicant

The Housing Authority must give an applicant for admission prompt notice of a decision denying admission to the applicant. The notice must contain a brief statement of the reasons for the Housing Authority decision and a copy of the criminal record if that is a reason for denial. The notice must also state that the applicant may request an informal review of the decision and must describe how to obtain the informal review.

Informal Review Process

The Housing Authority must give an applicant an opportunity for an informal review of the Housing Authority decision denying assistance to the applicant. The review will be conducted by the Review Committee, designated by the Executive Director, who will appoint staff other than a person who made or approved the decision under review or a subordinate of this person.

At the informal review, the applicant must be given an opportunity to present written or oral objections to the Housing Authority decision. The Housing Authority must notify the applicant of its final decision after the informal review, including a brief statement of the reasons for the final decision.

When Informal Review Is Not Required

The Housing Authority is not required to provide an applicant the opportunity for an informal review for any of the following:

1. Discretionary administrative determinations by the Housing Authority.
2. General policy issues or class grievances.
3. A determination of the family unit size under the Housing Authority subsidy standards.
4. A Housing Authority determination not to approve an extension or suspension of a voucher term.
5. A Housing Authority determination not to grant approval of the tenancy.

6. A Housing Authority determination that a unit selected by the applicant is not in compliance with HQS.
7. A Housing Authority determination that the unit is not in accordance with HQS because of the family size or composition.

XIII. Informal Hearing Procedures for Participants

Informal hearings for participants will be conducted in compliance with HUD regulations. Once participants have been notified of their right to an informal hearing, they have 15 calendar days to request a hearing in writing. The Housing Authority may conduct hearing remotely via telephone or video conferencing.

When Hearing Is Required

The Housing Authority must give a participant family an opportunity for an informal hearing to consider whether the following Housing Authority decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations and Housing Authority policies:

1. A determination of the family's annual or adjusted income and the use of such income to compute the housing assistance payment.
2. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the Housing Authority utility allowance schedule.
3. A determination of the family unit size under the Housing Authority subsidy standards.
4. A determination that a family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the Housing Authority subsidy standards, or the Housing Authority determination to deny the family's request for an exception from the standards.
5. A determination to terminate assistance for a participant family because of the family's action or failure to act
6. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under Housing Authority policy and HUD rules.

In the cases described above, the Housing Authority must give the opportunity for an informal hearing before the Housing Authority terminates housing assistance payments for the family under an outstanding HAP contract.

When Hearing Is Not Required

The Housing Authority is not required to provide a participant family an opportunity for an informal hearing for any of the following:

1. Discretionary administrative determinations by the Housing Authority.
2. General policy issues or class grievances.
3. Establishment of the Housing Authority schedule of utility allowances for families in the program.
4. Housing Authority determination not to approve an extension or suspension of a voucher term.

5. Housing Authority determination not to approve a unit or tenancy.
6. Housing Authority determination that an assisted unit is not in compliance with HQS. (However, the Housing Authority must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family.)
7. Housing Authority determination that the unit is not in accordance with HQS because of the family size.
8. Housing Authority determination to exercise or not to exercise any right or remedy against the owner under a HAP contract.

Expeditious Hearing Process

Where a hearing for a participant family is required under this section, the Housing Authority must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

Discovery

By family: The family must be given the opportunity to examine before the hearing any Housing Authority documents that are directly relevant to the hearing. The family must be allowed to copy any such document at the family's expense. If the Housing Authority does not make the document available for examination on request of the family, the Housing Authority may not rely on the document at the hearing. The Housing Authority will redact, or block-out, information on a VAWA crime victim's location or the name or location of any service provider agencies used by the victim.

By Housing Authority: The Housing Authority will request an opportunity to examine at the Housing Authority offices before the hearing any family documents that are directly relevant to the hearing. The Housing Authority must be allowed to copy any such document at the Housing Authority's expense. If the family does not make the document available for examination on request of the Housing Authority, the Housing Authority has the right to accept or deny the document at the hearing or to postpone the hearing until the document can be adequately reviewed. The term "documents" includes records and regulations.

Representation of Family, Recording of Hearing

At its own expense, the family may be represented by a lawyer or other representative. The name and title of such representative must be submitted to the Housing Authority at least 5 days prior to the hearing. If the representative is a lawyer, the Housing Authority may arrange to have its lawyer present, too.

Either the family or the Housing Authority may elect to record the hearing at its own expense. If either party wishes to record the hearing, it must notify the other in writing at least 5 days prior to the hearing; however, the Housing Authority will record all hearings recorded by the family without providing specific prior notification.

Hearing Officer

The hearing may be conducted by any person or persons designated by the Executive Director, other than a person who made or approved the decision under review or a subordinate of this person. The person who conducts the hearing may regulate the conduct of the hearing in accordance with the Housing Authority hearing procedures.

Evidence

The Housing Authority and the family must be given the opportunity to present evidence and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

Issuance of Decision

The person who conducts the hearing must issue a written decision, briefly stating the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing. A copy of the hearing decision shall be furnished promptly to the family.

Effect of Decision

The Housing Authority is not bound by a hearing decision under the following two conditions:

1. Concerning a matter for which the Housing Authority is not required to provide an opportunity for an informal hearing under this section, or that otherwise exceeds the authority of the person conducting the hearing.
2. Contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.

Any appeal of a hearing officer's decision on these grounds will be considered by the Executive Director, whose decision will be final. If the Housing Authority determines that it is not bound by a hearing decision or that such a decision is contrary to HUD regulations or requirements, the Housing Authority must promptly notify the family of the determination, and of the reasons for the determination.

XIV. The Process for Establishing and Revising Payment Standards, Utility Allowances, and Tenant Rents

Payment Standards

Payment Standards are used to calculate the Housing Assistance Payment that the Housing Authority pays to the landlord on the tenant's behalf. The payment standard represents the maximum level of subsidy that may be paid by the Housing Authority. Payment Standards will be reviewed, and revised, if necessary, at least annually following the publication of the Fair Market Rents (FMR) by HUD. Factors used in this analysis include the following:

1. Comparison of Payment Standard to Fair Market Rent
2. Average amount participants in the voucher program pay in rent.
3. Rent reasonableness data
4. Local vacancy rate data
5. Analysis of the expected voucher program funding level (HAP funding including the inflation factor adjustment)
6. Review of rental units in the open market.

The Housing Authority may establish one or more designated payment standard areas within its FMR area. The Housing Authority has three payment standard areas for the Santa Cruz-Watsonville FMR Area, which are as follows:

South County (95019, 95076, excluding the La Selva Beach neighborhood)
San Lorenzo Valley (95005, 95006, 95007, 95018, 95041)
North County (all other Santa Cruz County ZIP codes, and the La Selva Beach neighborhood)

The Housing Authority established the payment standard areas by evaluating market conditions across geographies of the FMR area and grouped ZIP codes where the typical market rate is similar.

The Housing Authority has a single payment standard area for the San Benito County FMR Area.

At the time of annual payment standard review, and to the extent funds are available, an exception payment standard may be considered as reasonable accommodation on a case-by-case basis to expand housing opportunities for persons with disabilities. If HUD decreases the FMR, which would reduce the basic range of the payment standard, the Housing Authority will hold harmless families by not decreasing the subsidy received by the family. The Housing Authority may establish one or more separate payment standards within the basic range for designated parts of an FMR area.

Under MTW authority approved by HUD, the Housing Authority utilizes payment standards that fall between 80% - 120% FMR.

The Housing Authority does not use Small Area Fair Market Rents.

Utility Allowances

Utility Allowances are an estimate of the monthly cost of tenant-paid utilities and are considered part of the gross rent. The Housing Authority maintains a utility allowance schedule for

1. all tenant-paid utilities,
2. the cost of tenant-supplied refrigerators and ranges, and
3. other tenant-paid housing services such as trash collection.

The utility allowance schedule is determined based on the typical cost of utilities and services paid by households that occupy housing of similar size and type in the same locality, patterns of consumption for the community as a whole, and current utility rates.

Per HUD regulations, costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

The Housing Authority has established a disability utility allowance schedule. In cases where a higher allowance is necessary to accommodate a family member's disability, the Housing Authority may approve an increased amount.

The Housing Authority conducts an annual review of its utility allowances and adjustments are made as necessary.

[Voucher Family Rent Contributions](#)

[At initial occupancy, a family's share of the gross rent may not exceed fifty percent \(50%\) of the family's adjusted monthly income.](#)

[Minimum Rents](#)

The minimum rent is \$0.

XV. The Method for Determining That Rent to Owner Is a Reasonable Rent

A determination must be made that rent to owner in the Section 8 Housing Choice Voucher Program is reasonable based on current rents for comparable unassisted units:

1. at the time of initial leasing,
2. if there is any increase in the rent to owner,
3. at the HAP contract anniversary if there is a 10% decrease in the FMR in effect 60 days before the HAP contract anniversary, and
4. if directed by HUD.

Reasonable rent is determined using information produced by Affordable Housing.com, a national rent reasonableness system, via the AffordableHousing.Com database. The AffordableHousing.com database meets HUD regulatory requirements for rent comparisons based on comparable unassisted units, including information about each unit's location, size, type, age, quality/condition, utilities, maintenance (including special services) and amenities.

XVI. Policies Regarding Special Housing Types

Shared Housing in the Housing Choice Voucher Program

1. Shared Housing is when a unit is occupied by two or more families. The unit must consist of shared common living space, as well as separate private space for each assisted family. Therefore, zero- and one-bedroom units may not be rented for shared housing. Under the lease, the assisted family must have cooking and bathroom facilities available to them. All areas (the entire unit) must be inspected initially and annually.
2. The shared housing program is designed to provide additional choices in living arrangements for assisted families. The Housing Authority of the County of Santa Cruz will permit only the use of "individual lease shared housing," wherein the Housing Authority enters into a separate HAP contract for each assisted family residing in the dwelling.
3. Single room occupancy units, zero-bedroom efficiency units, Independent Group Residences, congregate housing units and manufactured homes for which assistance is provided under the Space Rental Assistance Program may not be used for Shared Housing.

Shared Housing in the Project Based Voucher Program

Shared Housing is not allowable in the Project Based Voucher Program per HUD Regulations

Eligibility for Shared Housing

Under certain conditions (such as changes in the housing market or incidences of fraud) the Housing Authority may limit shared housing to families who are either elderly or disabled and who have a zero- or one-bedroom voucher. Such decisions will be made at the discretion of the Executive Director.

Subsidy Standards

For Shared Housing, the living room/common living area will not be considered when determining voucher size or overcrowding.

Additional Limitations for Shared Housing

1. The owner/landlord may reside in the unit but cannot be a parent, child, grandparent, grandchild, sister or brother, aunt, uncle, cousin, stepparent, step-grandparent, or significant other to any member of the assisted household. Relation by adoption is included in this definition.
2. A married couple or registered domestic partners cannot split themselves into two households and live in shared housing.
3. An existing household currently living together (whether they are assisted, on the waiting list, etc.) cannot split themselves into two or more households as a way to avoid counting the other family member's income and live in shared housing.
4. Shared Housing is not intended to allow assisted families to live with household members that they would normally live with, while avoiding counting the other household member(s) income.

Utilities

1. The amount of the Utility Allowance for an assisted individual in Shared Housing is the individual's pro rata portion of the Utility Allowance for the entire unit.
2. Individuals enter Shared Housing arrangements on a voluntary basis and agreements on splitting tenant paid utilities and utility deposits are part of that voluntary, private agreement between or among the individuals occupying the unit. Therefore, it is not mandatory that tenants agree to pay utilities based on the same proration formula the Housing Authority uses.
3. Although, in units with tenant paid utilities, utility payments are made by the tenant and not by the owner, the owner is free to ascertain, before leasing to sharing individuals, that the individuals have reached agreements in splitting tenant paid utilities and utility deposits, with full awareness of the amount of the Housing Authority determined utility allowance for each assisted tenant.

Other Special Housing Types

The following conditions will be used to determine who will be eligible to use each special housing type.

1. Single-person households will be eligible to use Single Room Occupancy housing.
2. Elderly or disabled participants in the Housing Choice Voucher program will be eligible to use Congregate Housing and Group Home Housing.
3. All participants in the Housing Choice Voucher program will be eligible to use Cooperative Housing, Manufactured Home Housing and Manufactured Home- Space Rent Housing.
4. Any special housing type will be eligible for use if needed as a reasonable accommodation so that the program is readily available to and usable by persons with disabilities.

Housing Choice Voucher (Section 8) Homeownership Program

The Housing Authority of the County of Santa Cruz has elected to offer the homeownership option that is available in the Section 8 Housing Choice Voucher program. The purpose of this program is to allow eligible families to purchase a home using the Housing Choice Voucher.

Family Participation Requirements

1. A preference will be given for current or past FSS (Family Self Sufficiency) participants.
2. This program shall be open only to those families who have been assisted under the Section 8 Housing Choice Voucher program for one year and are in good standing as participants in the Housing Choice Voucher program.
3. There is no limit on the number of vouchers that may be used for the Homeownership Program.
4. There will be no additional local eligibility requirements except those imposed by the regulations.
5. CFR 982.627(d) (2) gives the Housing Authority the discretion to determine whether and to what extent interruptions are considered to break the continuity of employment during the year. The Housing Authority of the County of Santa Cruz will consider a household member to be continuously employed if their gross annual wages total at least the minimum wage times 30 hours per week.

Housing Counseling

1. Pre-homeownership counseling is mandatory for all participants in the Homeownership program and will include those items required by regulation. (24CFR 982.630)
2. If a family purchases a home using Section 8 homeownership assistance and later sells that home to purchase another, the pre-homeownership counseling requirements will not be imposed again for the second purchase.

Capacity Test

The Housing Authority meets the Capacity Test set forth in 24CFR 982.625 in the following ways:

1. The Housing Authority has established a minimum down payment requirement of at least three percent of the purchase price. At least one percent must come from the family's personal resources.
2. The Housing Authority requires that financing for purchase of a home under the Homeownership program comply with generally accepted private sector underwriting standards. In particular, no adjustable-rate mortgages or balloon payment will be permitted.

Locating a Unit

1. There are no shopping deadlines imposed on families who are interested in purchasing a home. Because the homeownership option is available only to families currently receiving Section 8 rental assistance, their rental voucher will remain in effect as they search for a unit to purchase. The rental voucher will be converted to a homeownership voucher during the escrow process. If a family wishes to transfer to another unit and is issued a transfer voucher, the usual requirement to locate a unit within regular voucher search term applies, regardless of whether the family chooses to move to another rental unit or wishes to purchase a home under the homeownership option. Therefore, it is highly recommended that families remain in their current unit while they undertake a search to locate a unit to purchase.
2. If a family cannot locate a unit to purchase, their rental voucher will remain in effect.

Down Payment and Financing

1. Cash down payment and equity requirements shall be the same as those required under Section D, "Capacity Test", subsection 1.

2. Prospective purchasers must demonstrate that they have adequate cash reserves to pay for the required home inspection in addition to the down payment.
3. The home inspection must be conducted by a home inspector certified through the American Society of Home Inspectors or other comparable certification to be approved by the Housing Authority on a case-by-case basis.
4. For the purposes of calculating the housing assistance payment, “Home-ownership expenses” shall be defined as those homeownership expenses listed in 24CFR 982.635 and shall include homeownership association dues.
5. The first mortgage lender shall be responsible for determining whether the family can afford the financing being offered. The Housing Authority will not be responsible for determining the affordability of the financing.
6. Lenders participating in the program must be approved by the Housing Authority.
7. Adjustable-rate mortgages and balloon payments will not be permitted in the Homeownership program.
8. The Housing Authority must approve any refinancing or additional debt recorded against the property. The Housing Authority will record a notice against the property requiring such prior approval. In order to approve refinancing or additional debt, the Housing Authority will determine whether the family’s income is sufficient to pay any additional debt service.
9. Assistant payments will be made directly to the purchaser or lender, depending on the lender’s requirements.

Continuation of Assistance

1. The family must notify the Housing Authority if they receive a Notice of Default.
2. The Housing Authority will not prohibit families from making more than one move during any, one-year period.
3. The Housing Authority will not require that families using the homeownership option be FSS participants; however, a preference will be given to current or past FSS participants.
4. The Housing Authority will not require post-purchase HQS inspections.
5. In the case of a mortgage default, the Housing Authority has the option of granting the family a rental voucher to continue their assistance. Such determinations will be made on a case-by-case basis and will take into consideration the circumstances leading to the default, including but not limited to employment layoffs, a family member becoming disabled, and/or the death or departure of a family member.
6. The ongoing payment of real estate taxes is not a requirement for participation in the homeownership program. It is the responsibility of the homeowner to ensure that their taxes are paid. The lender may, at their discretion, monitor to ensure that taxes are paid.
7. In calculating the housing assistance payment, the Housing Authority will allow a monthly allowance for maintenance expenses, to be adjusted from time to time if needed.
8. In calculating the housing assistance payment, the Housing Authority will allow a monthly allowance as a reserve for major repairs, to be adjusted from time to time if needed.

XVII. Project Based Voucher Program

The Project-Based Voucher (PBV) program is a rental assistance program where the assistance is attached to the unit rather than to the family occupying the unit. The PBV Program allows PHAs

that already administer a tenant-based voucher program to use a limited number of its authorized vouchers and attach funding to specific units rather than using it for tenant-based assistance.

1. Project Definition

The Housing Authority defines a project as a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. Projects are subject to their own PBV Housing Assistance Payments (HAP) Contract, however, multiple projects that each consist of a single-family building (one to four units) may be included in one PBV HAP Contract.

Upon HUD Approval, under MTW authority, the Housing Authority will expand the definition of “project” to include non-contiguous scattered sites and may include non-contiguous scattered sites under one PBV HAP Contract.

2. Program Cap (Percentage Limitation)

Under MTW authority, the Housing Authority has a Program Cap of 50% of authorized vouchers or total budget authority. The Program Cap is the maximum number of vouchers that the Housing Authority may allocate to the PBV Program. As a result of this MTW authority, there is no increased Program Cap and there are no units excepted from the 50% cap and eligible for the increased Program Cap. Therefore, the Housing Authority does not identify excepted units nor the types and availability of supportive services that qualify for the increased Program Cap Units under the Program Cap supportive services authority.

3. Project-Based Voucher Proposal Submission Selection

Standard Competitive PBV Selection Process

The Housing Authority will use a competitive selection process for any project that it does not own or control.

The Housing Authority will consider many factors including but not limited to, site location, project design, project amenities, services to be provided to residents, target population, and any other relevant information in determining the extent to which the PBV proposal furthers the Housing Authority’s mission and whether the public interest is best served by converting tenant-based vouchers into project-based vouchers based on the Evaluation and Scoring Criteria established by the Board of Commissioners.

Prior to project selection, the Housing Authority will score a proposal, or proposals, in accordance with the established Evaluation and Scoring Criteria, and determine that the proposal complies with HUD program regulations and requirements, which may include but is not limited to, a determination that the property is eligible for project-based vouchers, that the proposal complies with the Income-Mixing Requirement and Percentage Limitation, and that the proposal meets the site selection standards.

The Housing Authority may continually maintain an open Request for Proposals (RFP) for project-based vouchers or may offer an RFP that opens and closes at defined times. The

Board of Commissioners will establish the Evaluation and Scoring Criteria upon which the associated RFP will be written. Interested parties may submit proposals while the RFP remains open. Open RFPs will remain posted on the Housing Authority website. For any given RFP, the Housing Authority may select one or more projects for a conditional award of PBVs or may select no projects.

Non-Competitive PBV Selection Process

Under MTW authority approved by HUD, the Housing Authority may award PBVs to projects that it owns or controls without using a competitive selection process.

Notification of Selection

In the event that a proposal is selected, the Housing Authority will notify the party that submitted the selected proposal and will maintain a list of conditionally approved projects on the Housing Authority website. The Housing Authority will make documentation available regarding the basis for the selection of any project-based voucher proposal to any interested persons. The Housing Authority will provide public notice for selected projects.

4. Project Cap (Income-Mixing Requirement)

The Housing Authority, under MTW flexibilities, may project-base up to 100% of the units at a project. The PBV RFP, determines how many PBVs a particular project may be eligible to receive. Due to this MTW flexibility, the Housing Authority does not identify excepted units or the types and availability of supportive services that qualify units as excepted units.

5. Site Selection Standards and Policy

Standard for Deconcentrating Poverty and Expanding Housing and Economic Opportunities

Proposals selected for project-based assistance must be consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. When determining the extent to which a site meets this standard, the Housing Authority will, at a minimum, consider the following:

- a. Whether the Census Tract in which the proposed PBV development will be located is in a HUD-designated Enterprise Zone, Economic Community or Renewal Community
- b. Whether a PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition.
- c. If the poverty rate in the area where the proposed PBV development will be located is greater than 20 percent, whether in the past five years there has been an overall decline in the poverty rate.
- d. Whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization.

- e. Whether state, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement.
- f. Whether new market rate units are being developed in the same census tract where the proposed PBV development will be located and the likelihood that such market rate units will positively impact the poverty rate in the area.
- g. Whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed PBV development will be located.

Site Selection Policy

Owners that submit proposals for PBVs will certify that their project meets the standard of deconcentrating poverty and expanding housing and economic opportunities, civil rights requirements, and the site and neighborhood standards. The Housing Authority will also certify that the project meets the site selection standards.

This promotes the agency's PBV goals by ensuring the owner evaluates their project site for consistency with program requirements.

6. Inspection Policies

The Housing Authority will allow one year to lapse between the initial inspection of an existing housing project and the execution of a HAP Contract for that project.

The Housing Authority has not adopted the non-life-threatening deficiencies option or the alternative inspection option for existing housing and will confirm full compliance with the Housing Quality Standards prior to executing a HAP Contract.

The Housing Authority will perform periodic inspections of PBV units at least triennially.

The Housing Authority may use a verification method other than an on-site inspection for HQS deficiencies, which may include, but is not limited to, photographic evidence submitted by the owner.

[For new construction or rehabilitation projects, the Housing Authority will not schedule inspections prior to the project receiving a certificate of occupancy covering all PBV units and all common areas that may be accessible by PBV residents.](#)

[For new construction or rehabilitation projects, the Housing Authority may charge the owner an administrative fee if all proposed PBV units do not pass the initial inspection and a re-inspection is required.](#)

7. Additional Requirements for Quality, Architecture, or Design

The Housing Authority may establish additional requirements for quality, architecture, or design of PBV projects on a case-by-case basis.

8. Entering into a HAP Contract Prior to Entering into an Agreement to Enter into a HAP Contract

For new construction or rehabilitation projects, the Housing Authority will not execute a HAP Contract without first executing an Agreement to Enter into a HAP Contract (AHAP). The Housing Authority does not allow construction or rehabilitation to commence prior to execution of an AHAP.

Execution of an AHAP is required within 24 months of the original conditional award of PBVs. Owners may request up to two six-month extensions, which may be approved on a case-by-case basis. Each extension must be requested separately.

The Housing Authority will only execute an AHAP if the owner provides final working drawings and specifications, as approved by the permitting jurisdiction. "Final" means the complete set of drawings and specifications for which a building permit will be or has been issued.

9. Certification of Completion of the Work

Owners must submit evidence of completion of the work to the Housing Authority prior to execution of the HAP Contract for new construction or rehabilitation projects. The Housing Authority must accept the evidence prior to execution of the HAP Contract.

The required evidence may be identified in the AHAP and may include, but is not limited to, a temporary certificate of occupancy, a full certificate of occupancy, an architect or owner's certification that the project was completed in accordance with the AHAP, an architect or owner's certification that the project was completed in accordance with additional design requirements, and an owner's and responsible entity's certification that any mitigating measures identified in the environmental review were addressed. Housing Authority staff will provide the appropriate certifications to the owner for completion and submission.

10. Rehabilitated Housing Developed After PBV HAP Contract Execution

Upon implementation of the applicable regulations by HUD, and on a case-by-case basis, the Housing Authority may consider entering into a PBV HAP Contract for rehabilitated housing that allows for development activity after HAP Contract execution.

The timing of the initial inspection will be determined upon implementation of the applicable regulations by HUD.

The form and manner of owner notifications of changes in the status of contract units will be determined upon implementation of the applicable regulations by HUD.

Any period of compliance of development activity that has not been completed by the deadline will be determined upon implementation of the applicable regulations by HUD.

11. Adding or Substituting Contract Units

Any existing PBV HAP contract may be amended to add or substitute PBV units by mutual agreement of the Housing Authority and the owner on a case-by-case basis, and in accordance with all HUD requirements.

12. Housing Quality Policies

The Housing Authority may establish additional requirements for continued compliance with quality, architecture, or design of PBV housing during the term of the HAP Contract on a case-by-case basis.

The Housing Authority may withhold or abate HAP for PBV units or may remove PBV units from the HAP Contract if the project has HQS deficiencies.

The Housing Authority may on a case by case basis assist families with relocating or finding a new unit if HAP is abated or if a PBV unit is removed from the HAP Contract.

13. Waiting List Policies and Tenant Selection

The Housing Authority's waiting list selection policies for PBV units are identified in Section I of this Administrative Plan.

Owner-Maintained Waiting List Approval

The Housing Authority may, at their sole discretion, permit owners to maintain a waiting list for one or more PBV projects. Owners must develop and submit a written owner waiting list policy to the Housing Authority for consideration and approval. The submission must include proposed policies and procedures concerning management and selection of applicants from the waiting list, admissions preferences, procedures for removing applicant names from the waiting list, and procedures for closing and re-opening the waiting list. Owner requests for owner-maintained waiting lists will be reviewed and may be approved on a case-by-case basis.

Owner-Maintained Waiting List Oversight Procedures

The Housing Authority may require that the owner provide a copy of its waiting list and details related to families rejected or removed from the waiting list. The owner may be asked to provide information including, but not limited to, family waiting list placement, the applicability of preferences to each family, and the reasons why a family was rejected or removed from the waiting list.

Owner-Maintained Waiting List Policies

The following projects have an owner-maintained waiting list for select PBV units:

- Tabasa Gardens – Farmworker Waiting List (10 PBV units)
- Cienega Heights – Joe Serna Waiting List (5 PBV units)

- Shared waiting list with Sparrow Terrace
- Sparrow Terrace – Joe Serna Waiting List (12 PBV units)
 - Shared waiting list with Cienega Heights

These owner-maintained waiting lists are used to select families for units that are set aside for households with at least one person who derives, or prior to retirement or disability derived, a substantial portion of his or her income from agricultural employment, rather than the HCV Waiting List maintained by the Housing Authority. The owner-maintained waiting lists have a preference for families that are also on the HCV Waiting List.

For more information about these waiting lists, please see the respective tenant selection plans for each project, which are on file with the project owner and the Housing Authority.

Rejections of Units Offered for Good Cause

A family will not be removed from a site-based PBV waiting list (including owner-maintained waiting lists) if the family rejects an offer of a PBV unit for the following reasons:

- a. The family determines that the unit is not accessible to a household member with a disability or otherwise does not meet the member's disability-related needs
- b. The unit has HQS deficiencies
- c. The family is unable to accept the offer due to circumstances beyond the family's control (such as hospitalization, temporary economic hardship, or natural disaster)
- d. The family determines the unit presents a health or safety risk to a household member who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in 24 CFR part 5, subpart L
- e. The family chooses to not apply as a result of the family size/composition not meeting the occupancy standards/subsidy standards, provided that there is another unit at the property for which they would qualify based on unit size and voucher/unit type
- f. On a case-by-case basis, at the discretion of the Executive Director

For the Farmworker PBV Waiting List only, families may reject one (1) PBV unit offer for a reason other than good cause (as identified above) and remain on the waiting list.

Families on the HCV Waiting List who reject an offer of a PBV unit or who are rejected by the owner will not be penalized. They will retain the same position on the Waiting List for tenant-based assistance and may continue to receive PBV offers.

Owners may refer families to the HCV Waiting List if the Waiting List is open, and such referrals will be placed on the list. While the owner is not allowed to choose their own tenant and have that tenant move up the Waiting List ahead of other applicants, the owner may apply their own tenant selection criteria and preferences, provided that they remain in compliance with fair housing law.

14. Tenant Screening & Information to the Owner

The Housing Authority will screen PBV applicants for income, citizenship status, certain criminal convictions, and other factors necessary to determine program eligibility.

The Housing Authority will only provide the PBV applicant's current and prior address, and the name and address of the landlord at the applicant's current and prior address, upon request of the PBV owner, if available.

15. Continued Housing Assistance - Overcrowded, Under-Occupied and Accessible Units

If a family is determined to be in a wrong-sized unit (a unit that is too large or too small) or in an accessible unit with features that the household does not require, the Housing Authority may offer the family some type of continued housing assistance. The Housing Authority may offer the family:

- a. Another PBV unit in the same building or another building
- b. A tenant-based voucher

16. Family Right to Move

If HCVs are available, families may move from PBV units with an HCV after receiving PBV assistance for one year.

To request an HCV, the family must submit a request in writing to the Housing Authority. The Housing Authority will give any eligible family priority for the next available HCV. If an HCV is not available upon request, the agency will establish an internal "waiting list" that identifies families waiting to move with continued tenant-based assistance.

17. Units Qualifying for the Excepted Status and Increased Program Cap

Under MTW authority, the Housing Authority has a 50% program cap, and there are no excepted unit or voucher types.

18. Units for Special Populations

Units set aside for elderly and disabled families may continue to be occupied by the same family if the family experiences circumstances beyond its control that led the family to no longer meet the definition of an elderly or disabled family.

19. Rent to Owner

The maximum rent to owner will be established as the lowest of:

- a. 110% of the Fair Market Rent, minus any utility allowance
- b. The applicable payment standard for the unit size
- c. The reasonable rent
- d. The owner-requested rent

20. Rent Redetermination

Owners must submit rent increase requests for PBV units in writing to the Housing Authority at least sixty (60) days before the annual anniversary of the HAP Contract.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The contract year is the period of twelve (12) calendar months preceding each anniversary of the HAP Contract. The initial contract year is calculated from the first day of the first calendar month of the HAP Contract term. All PBV units at a project have the same annual anniversary.

HUD regulations require that the reasonable rent be redetermined for the following reasons:

- a. When PBV units are substituted or added
- b. When there is a ten (10) percent decrease in the published Fair Market Rent
- c. When there is a Housing Authority-approved change in the allocation of responsibility for utilities between the owner and tenant
- d. When the Housing Authority accepts a completed unit after development activity that is conducted after HAP Contract execution
- e. Whenever there is any other change that may substantially affect the reasonable rent

At no time may the rent to the owner exceed the most recently determined reasonable rent.

The adjusted rent to owner amount applies for the period of twelve (12) calendar months from the annual anniversary of the HAP Contract. The Housing Authority will notify owners in writing specifying the amount of the redetermined rent. The Housing Authority written notice of the rent adjustment constitutes an amendment of the rent to owner specified in the HAP Contract.

21. Vacancy Payments

The Housing Authority no longer provides for the provision of vacancy payments in new HAP Contracts.

For HAP Contracts that Include Vacancy Payments:

Some legacy PBV projects may provide for the provision of vacancy payments. In these instances, vacancy payments may be paid for up to two months and begin on the first calendar month after the move-out month and may equal an amount up to rent to owner for the applicable unit under the previously assisted lease. Vacancy payments will only be provided retroactively after the unit has been re-occupied.

To request vacancy payments, the owner must provide written notice to the Housing Authority that certifies the previous family has vacated the unit and the date when the

family moved out. The owner must also provide written certification that the vacancy is not the owner's fault, that the owner took every reasonable action to minimize the likelihood and length of vacancy, and that the unit was actually vacant for the period in which the vacancy payments have been claimed.

22. Utility Reimbursements

Utility reimbursements will be paid directly to the participant.

23. Small Area Fair Market Rents for the Project Based Voucher Program

The Housing Authority does not use Small Area Fair Market Rents in the Project-Based Voucher Program.

24. Project-Basing Special Voucher Types

The Housing Authority may choose to make PBVs available from any special population designated voucher or waiting list preference permitted under HUD regulations.

25. Conflict of Interest

Neither the Housing Authority nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the HCV or PBV program in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- a. Any present or former member or officer of the Housing Authority;
- b. Any employee of the Housing Authority, or any contractor, subcontractor or agent of the Housing Authority, who formulates policy or who influences decisions with respect to the programs;
- c. Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs; or
- d. Any member of Congress of the United States.

Any member of the classes described in (a) through (d) of this section must disclose their interest or prospective interest to the Housing Authority when responding to the RFP for project-based vouchers. In some cases, the PHA may request a waiver from HUD to consider allowing such a conflict. The conflict-of-interest must be disclosed to HUD, and the prohibition under this section may only be waived by the HUD field office for good cause.

26. Rent Reasonableness Determinations for PHA-Owned Units

Under MTW authority, the Housing Authority is authorized to conduct Rent Reasonableness determinations for PHA-owned PBV units. Regulations require that the Housing Authority ensures that the contract rent requested by is reasonable, meaning that the rent is not more than rent charged for comparable units in the private unassisted market, or the rent is comparable to other assisted or unassisted units in the same premises.

Comparable market rents are monitored by the Housing Authority and will be used to determine rent reasonableness. An approved rent to the owner may not exceed the most recently determined, or re-determined, reasonable rent amount.

27. Housing Quality Standards Inspections for PHA-Owned Units

Under MTW authority, the Housing Authority is authorized to conduct all HUD-mandated HQS inspections on PHA-owned PBV units, following existing procedures for non-PHA-owned units.

28. Progress Reports and Documentation Upon Request

The owner must provide progress reports and any other relevant project information or document the Housing Authority requests within a timely manner and by established deadlines.

29. Accessible Unit Limits

The Housing Authority may place a limit on the number of accessible units that an owner can attach its awarded PBVs to at a given project.

Due to HUD requirements related to occupancy of accessible units, this limit helps to keep PBV units distributed in a way that supports both households with disabilities and the broader eligible population.

30. Referral Memoranda of Understanding

For third-party referral PBV units (except VASH units) or for units with the provision of third-party supportive services, the owner must execute a Housing Authority-approved memorandum of understanding with the referring agency and/or supportive services provider. The Housing Authority will not process any applicants for third-party referral-based PBV units until such documents are approved and executed.

31. Tenant Selection Plan, Marketing Plan, and Lease-Up Materials

Owners must establish a tenant selection plan and marketing plan prior to lease-up of the PBV units. The tenant selection plan and marketing plan must be approved by the Housing Authority. The Housing Authority may also require the owner to create other lease-up materials, such as a marketing flyer.

The owner must follow the provisions of the Housing Authority-approved tenant selection plan and marketing plan.

All outreach and application materials must be provided in both English and Spanish and must be accessible to persons with disabilities.

32. Lease-Up Guidelines

The Housing Authority may establish guidelines related to the lease-up of the PBV units at initial occupancy and upon turnover. Owners must follow these guidelines.

Guidelines may include, but are not limited to, the method and manner by which PBV units are offered to PBV applicants, the application format that must be made available to PBV applicants, the method and manner by which lease-up is coordinated between the owner and the Housing Authority, and the method and manner by which approved PBV applicants are referred to the Housing Authority.

33. Conditional Award Letter – Conditions of Award and Reservation of Rights

Projects that are selected for PBVs will be provided with a conditional award letter, which will outline all conditions of award and the Housing Authority’s reservation of rights.

The full award of the PBVs is conditioned upon compliance with all conditions of award.

The Housing Authority may update the conditions of award to the agency’s most recent set of conditions and reservation of rights if the conditional award letter is revised. Revisions to the conditional award letter may be done in cases including, but not limited to, the owner’s request, changes in the voucher mix of awarded PBVs, changes to the owner entity for partnership purposes, extensions to the deadline by which the project must execute an AHAP, or changes to the term of the initial PBV commitment.

The owner must sign the conditional award letter to accept the conditions of award and the reservation of rights. The award of PBVs is not official until the conditional award letter is signed by the owner and returned to the Housing Authority by the established deadline.

34. Compliance Agreement

At the discretion of the Housing Authority, prior to or at the occupancy planning/lease-up stage, the owner must enter into a Housing Authority-approved compliance agreement.

35. Remedies for Non-Compliance

a. The Housing Authority may take any of the following rights or remedies if the owner does not comply with one or more conditions of award, the tenant selection plan, lease-up guidelines, or any other provision of this Administrative Plan:

- a. Reducing the number of PBVs awarded
- b. Rescinding the award of PBVs
- c. Removing PBVs from the HAP Contract upon turnover
- d. Cancelling the HAP Contract

e. Requiring documentation of policies, processes, and evidence of compliance with requirements

f. Applying monetary damages and/or charging administrative fees

Prior to taking corrective action, the Housing Authority will issue a notification of noncompliance to the owner, and will provide the owner with an opportunity to come into compliance. The Housing Authority may require the owner to take action by a time prescribed in the notice.

The Housing Authority's exercise or non-exercise of any remedy for non-compliance is not a waiver of the right to exercise that remedy or any other remedy at any time.

XVIII. Payment by a Family to the Housing Authority

A program participant who owes the Housing Authority money may not transfer to a new unit or port out to a new jurisdiction until the money is repaid or satisfactory arrangements have been made to repay the debt. Additionally, waiting list applicants who owe money to the Housing Authority may not be issued a voucher until the money is repaid or until satisfactory arrangements have been made to repay the debt.

XIX. Annual and Interim Determinations of Family Income

The Housing Authority will conduct reexaminations for fixed-income households at least every three years, conduct reexaminations for non-fixed income households under MTW flexibility at least every two years, and all other households will have a reexamination conducted annually.

Fixed Income means primary or sole source of income that comes from stable and fixed sources such as Social Security, Social Security Disability Insurance, employment pensions, Veterans Affairs benefits, or similar. Zero income families are not considered to be fixed income; zero income families will have reexaminations conducted annually.

In between reexaminations, the HACSC will conduct interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events will include:

1. Decreases in income
2. Increases in income (when requested by the household)
3. Changes in household composition
4. Changes to the contract rent

When interim adjustments are conducted, HACSC will apply payment standards in effect at the time of the effective date of the adjustment for contract rent increases that result in an increase in the tenant portion of rent, or in other situations on a case-by-case basis in accordance with the hardship policy. In all other instances, payment standards will not be updated until the next regular examination. HACSC reserves the right to conduct reexaminations more frequently either for administrative or financial reasons.

Due to the alternative reexamination schedule, families may request an interim reexamination under the HACSC hardship policy. A hardship may be requested if a family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance; and/or the family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items.

When the Housing Authority receives written information concerning a change in the family's income or household composition between regularly scheduled reexaminations, the Housing Authority will consult with the family and make any adjustments determined to be appropriate, including but not limited to applying new payment standards. Any change in the family income or household composition that results in an adjustment in the Total Tenant Payment, Tenant Rent, and HAP must be verified.

Families must report household income decrease, household composition changes, or a change to contract rent within 14 calendar days from the effective date of the change to be considered "timely." An interim reexamination will be conducted when the Housing Authority becomes aware that the family's adjusted income has decreased.

Timely reporting related to an increase in tenant portion of rent: When a family reports a change in family income or composition that will result in an increase in tenant rent, the family must be provided a minimum of 30 calendar days' notice of the rent increase. The rent increase will be effective on the first of the month following the end of the 30-day notice.

Timely reporting related to a decrease in rent: Families that report changes in family income or composition within 14 calendar days from the effective date of the change that results in a decrease in tenant portion of rent, the decrease will be effective the first day of the month after the date of the actual change leading to the interim reexamination of family income.

Determination of Family Income Using Other Means Tested Public Assistance, "Safe Harbor"

The Housing Authority will consider the Low-Income Housing Tax Credit, or the Temporary Assistance for Needy Families block grant (Medicaid, SNAP benefits, Earned Income Tax Credit) as an acceptable income verification source to determine a family's income for reexaminations, prior to applying any applicable deductions, based on income determinations made within the previous 12-month period.

Consent Form

Applicants and participants must sign and submit the HUD-9886-A, as applicable, at admission and no later than the next interim or regularly scheduled income reexamination.

Annual Income Deduction for Unreimbursed Health and Medical Care Expenses, Reasonable Attendant Care, and Auxiliary Apparatus Expenses

Under the HUD-approved MTW Waiver 1.u., the Housing Authority has implemented a standard deduction for medical expenses. This deduction is available to all elderly and disabled households with medical expenses at or above \$1,500. This policy does not impact a family's eligibility for the elderly/disabled and dependent deductions in accordance with §5.611(a)(1); (a)(2).

The proposed standard deduction for medical expenses will be \$1,500 for elderly and disabled households with expenses at or above \$1,500. The Housing Authority will periodically adjust the \$1,500 standard deduction for medical expenses, adhering to HUD's methodology for inflationary adjustments for elderly/disabled family deductions.

Households with medical expenses at or above the \$1,500 threshold will self-certify that their unreimbursed and anticipated medical expenses surpass the threshold. The self-certification statement will be saved in the household file.

Further verification of expenses is only required for hardship requests, as outlined below and in the Standard Deduction Medical Expense Hardship Policy. The Housing Authority will document whether the standard deduction was applied, or a Medical Expense Hardship was approved. Confidential health information will not be retained in participant files. Such documents will be reviewed, verified, and then destroyed per agency policy.

This policy applies to all tenant-based units and properties with project-based vouchers. Households may request a Standard Deduction Medical Expense Hardship exemption to the standard deduction, following the HACSC Standard Deduction Medical Expense Hardship Policy. Families seeking a hardship exemption will need to complete a medical expense verification packet and may be required to provide supporting documents, receipts, and/or contact information for healthcare providers to verify their expenses.

Changes to the Head of Household

Changes to the head of the household will be allowed in the case of a family break up (see Section XI above) or if the head of household no longer has the legal capacity to enter into a lease, another member can become the head of household if they provide verification of the incapacitation, and if they have the legal capacity to enter into a lease. The Housing Authority may consider additional exceptions on a case-by-case basis.

Changes to Household Composition

If any household member moves out of the assisted unit, the family must inform the Housing Authority in writing within 14 calendar days of the move out. If the reduction in household members results in the number of bedrooms in the unit exceeding that which the family is eligible for, the Housing Authority will reduce the subsidy standard, reduce the voucher size, and adjust the payment standard accordingly at the family's next regular recertification or with at least 30 days' notice of the change, or longer as established by Housing Authority procedures.

If the family wishes to add any new household members (including temporary family members, live-in-aides, foster adults or foster children), the family must request advance permission in writing before any new members move into the unit. All new household members will be subject to all Housing Authority eligibility and screening criteria including a criminal background check.

The Housing Authority will apply the following criteria when determining who may move into an assisted unit. Children who are temporarily away from the home because of placement in foster care and military servicepersons on active duty are considered part of the family (even if they are not currently living in the household) if they would otherwise be living in the assisted unit. Therefore, when children return from foster placement, or when military servicepersons return from

active duty, they may return to the household (see Subsidy Standard section for information about effects on voucher size). The rules below about who can be added to a household do not apply to children out of the unit due to placement in foster care and military servicepersons who were already living in the household prior to their temporary absence.

When a household member is added, staff must first redetermine the household's subsidy standard, using the current subsidy standards, without including the new household member. Then staff will apply the following rules. Please note that "parent" refers to the birth or adoptive parent, and "child" refers to children by birth, court awarded custody, or (for minor children only) by foster placement. The voucher size and payment standard will be updated accordingly.

The following individuals may be added to the household and may increase the family's voucher size:

1. The spouse, registered domestic partner, or significant other of the head of household
2. The parent of the head of household
3. The parent of the head of household's spouse/registered domestic partner
4. The child of the head of household, including adult child
5. The child of the head of household's spouse/registered domestic partner, including adult child
6. The minor birth child of any existing household member
7. The grandparent or great-grandparent of the head of household
8. The grandparent or great-grandparent of the head of household's spouse/registered domestic partner
9. The grandchild or great-grandchild of the head of household
10. The grandchild or great-grandchild of the head of household's spouse/registered domestic partner
11. A Housing Authority approved live-in-aide
12. A foster adult

The Housing Authority may allow minor children to be added to the household if adult household members are identified as stand-by guardians under the Childcare Safety Plan. No other adults or child(ren) may move into the assisted unit, other than those specifically identified above.

Changes in Household Income:

Families must notify the Housing Authority in writing within 14 days of a decrease in income. Decreases in Total Tenant Payment are to be made effective on the first of the month after the change was reported and after the change has occurred. However, no decrease adjustment in TTP is to be processed until all facts have been verified.

The Housing Authority may conduct an interim redetermination at the family's request for an increase in income. This interim redetermination may serve as the family's next annual reexamination. The sole exception to this is annual increases to fixed income sources like Social Security, which will be verified and processed at the next regular annual reexamination.

Income Calculation Errors

If a household receives less housing assistance than they are eligible for due to a Housing Authority error, the Housing Authority will correct the error and reimburse or credit the family for the difference through an adjustment in the housing assistance payment system or issue a reimbursement check if a system adjustment is not feasible

XX. . Restrictions, If Any, on the Number of Moves by a Participant Family

There are no restrictions on the number of moves by a participant HCV family other than those required by HUD regulation. In the case of a participant who wishes to port to a higher cost area, such requests will only be denied in cases of insufficient funding, per 24CFR 982.314. In such cases, families will be informed of the potential for insufficient funding at the time they request to port their voucher. Additionally, the Housing Authority will keep the request to port open for consideration and will notify the family as soon as funding becomes available.

Program participants must be in good standing in order to be eligible to transfer their assistance to another rental unit. A program participant who owes the Housing Authority or their landlord money as a result of program or lease violations may not transfer with continued rental assistance to a new unit or port out to a new jurisdiction until the money is repaid or satisfactory arrangements have been made to repay the debt. The Housing Authority may postpone the transfer for up to 21 days, while the security deposit is reconciled and while the Housing Authority consults with the tenant and landlord and collects appropriate documentation. Length of tenancy will be considered. After this time, the Housing Authority will either issue a transfer packet or begin the process of termination of assistance.

XXI. Approval by the Board of Commissioners or Other Authorized Officials to Charge the Administrative Fee Reserve

Expenditures from the Administrative Fee Reserve account will be made in accordance with all applicable federal requirements and in accordance with the Procurement Policy. The Board of Commissioners approves expenditures during the budget approval process.

XXII. Procedural Guidelines and Performance Standards for Conducting Required HQS Inspections

The Housing Authority conducts HQS inspections at least triennially as required by HUD and has implemented a system of quality control inspections and regular training to ensure that inspections are performed accurately and consistently. The Housing Authority may use Remote Video Inspections (RVI). RVI is a HQS inspection performed remotely with a “proxy” inspector and with the Housing Authority inspector remotely directing the inspection.

If the inspector’s determination of the number of bedrooms in a unit differs from the number of bedrooms on the Request for Tenancy Approval, the owner may be required to supply verification from the planning/building department on the approved number of bedrooms.

In the case of new move-ins, all units must pass inspection before the HAP contract may begin. If it is determined a unit has HQS deficiencies during the initial inspection, the unit must be re-inspected until the deficiencies have been corrected and the unit is in compliance with the HQS.

However, in the case of biennial re-inspections, if a unit is out of compliance due to HQS deficiencies, the Housing Authority may allow the owner to self-certify that the repairs or corrections have been made but reserves the right to require re-inspections for significant failed items. The Housing Authority does not charge a re-inspection fee to owners.

The following items will be considered life-threatening fails in Housing Quality Standards inspections:

1. Gas (natural or liquid petroleum) leak or fumes
2. Electrical hazards that could result in shock or fire
3. Inoperable or missing smoke detectors
4. Inoperable or missing carbon monoxide detectors
5. Gas/oil fired water heater or heating, ventilation, or cooling system with missing, damaged, improper, or misaligned chimney or venting
6. Lack of alternative means of exit in case of fire or blocked egress
7. Conditions that present the imminent possibility of injury
8. Absence of a functioning toilet in the unit

Life-threatening deficiencies must be corrected within twenty-four (24) hours of notification. Life-threatening deficiencies will be reported immediately to the tenant, landlord, and Housing Authority management.

The Housing Authority will not withhold the Housing Assistance Payment (HAP) for HQS deficiencies during the corrective period. However, if the deficiencies are not resolved within the established regulatory correction periods, the Housing Authority may,

1. abate the HAP, with no potential for retroactive payment, if the deficiency is the owner's responsibility, or
2. terminate the family's assistance if the deficiency was caused by the family, any member of the household, or any guest or other person under the family's control.

The Housing Authority assists families with disabilities in locating accessible units by making available a current listing of accessible units known to the Housing Authority. The Housing Authority may on a case by case basis assist non-disabled families with relocating or finding a new unit if HAP is abated. Families may apply for security deposit assistance and if eligible, will be required to adhere to the applicable jurisdictions' security deposit program requirements.

XXIII. Screening of Applicants for Family Behavior or Suitability for Tenancy

The Housing Authority performs those screenings that are required by HUD regulation. Owners are encouraged to do their own screening of tenants.

XXIV. Voucher Suspension Policy

If the Housing Authority stops issuing vouchers for a period of time due to over-leasing or funding shortfalls, when the Agency is ready to resume the issuance of vouchers, staff will review the utilization of special purpose vouchers. If the Agency is serving less than the allocation of special

purpose vouchers, new special purpose vouchers will be issued first, before general purpose vouchers.

Prior to delaying or suspending the assistance of any applicants or participants (families under contract), the Housing Authority will first take any and all administrative steps available to remedy the situation. If the Housing Authority determines that there is insufficient funding to enter into additional HAP contracts, and / or insufficient funding for the HAP contracts that are already in place, the Housing Authority will suspend vouchers in the following way.

1. Applicants who have been issued general purpose vouchers but have not yet leased a unit will have their vouchers suspended until such time as funding becomes available.
2. If funding is still insufficient, applicants who have been issued a special purpose voucher but have not yet leased a unit will have their vouchers suspended until such time as funding becomes available.
3. If funding is still insufficient, the Housing Authority will freeze voucher transfer requests of participants.
4. If funding is still insufficient, the Housing Authority will suspend the contracts of existing, general purpose, program participants beginning with the families most recently admitted to the program.
5. If funding is still insufficient, special purpose voucher holders who are under contract would be the last voucher holders to suspend, beginning with families most recently admitted to the program.

When funding becomes available, assistance will be restored in the following order:

1. Recently admitted special purpose voucher families who had their contracts suspended (#5 above) will have their assistance restored first.
2. Recently admitted general purpose voucher families who had their contracts suspended (#4 above) will have their assistance restored next.
3. Participants who have a voucher and requested a transfer (#3 above).
4. Applicants who had been issued a special purpose voucher but had not yet leased a unit (#2 above) will have their vouchers restored next.
5. Applicants who had been issued a general-purpose voucher but had not yet leased up (#1 above) will have their assistance restored last.

XXV. Moving to Work – Local Non-Traditional Activities

As a Moving to Work (MTW) Agency, the Housing Authority has broad regulatory flexibility, including the ability to use federal HAP funds for Local Non-Traditional (LNT) activities.

The Housing Authority intends to use MTW funding to acquire, renovate and/or build affordable units that are not public housing units. Eligible activities may include gap financing or construction costs for development of affordable housing, conducted by the PHA or a PHA-controlled affiliate or by a non-PHA affordable housing developer, including but not limited to development of project-based voucher units, tax credit units, or affordable units funded with any other local, state, or federal funds. Local, non-traditional development activities will be conducted in accordance with the applicable requirements of PIH Notice 2011-45 and the MTW Operations Notice and other

approved HUD waivers as applicable to this activity. The first assisted project was new construction of twenty (20) units of affordable housing located at 415 Natural Bridges Drive, Santa Cruz CA, occupied in Spring 2025.

The second assisted project is the acquisition of “Chanticleer” at 2021 – 2031 Chanticleer Avenue, Santa Cruz, CA 95602, and subsequent construction of new affordable housing. The Housing Authority has authorized a pre-development loan to support the project using LNT funding. In addition, the Housing Authority may utilize LNT authority to purchase an adjacent property, 2030 17th Avenue, to accommodate better access and additional housing units.

For Public Comment

Housing Authority of the County of Santa Cruz
Moving to Work (MTW) Supplement to the PHA Annual Plan
Inclusive of all Agency Specific Waivers
For Fiscal Year Beginning 7/1/2026

PHA Name : Housing Authority of The County of Santa Cruz

PHA Code : CA072

MTW Supplement for PHA Fiscal Year Beginning : (MM/DD/YYYY): [07/01/2026](#) ~~7/1/2025~~

PHA Program Type: Combined

MTW Cohort Number: Asset Building

MTW Supplement Submission Type: Annual Submission

B. MTW Supplement Narrative.

The Housing Authority of the County of Santa Cruz (HACSC) is pleased to submit this Fiscal Year (FY) ~~2026~~ ~~2025~~ Moving to Work (MTW) Supplement ~~component of~~ ~~to~~ the Annual PHA Plan. HUD designated HACSC as an MTW Agency in September 2022, through the MTW Asset Building Cohort, to test asset building initiatives to encourage growth of savings accounts and/or aim to build credit for assisted households. HACSC's MTW Plan and Application selected the HUD defined "Opt-Out Savings Account" as the initial MTW asset building activity. HACSC has worked for the past ~~two~~ ~~three~~ years with HUD and the evaluation team to develop, implement and evaluate the "Opt-Out Savings Account" initiative. HACSC has also actively participated in the "Community of Practice" with HUD, the evaluation team, and other MTW agencies in the Asset Building Cohort to further develop and implement best practices related to asset building. [The final deposits into the participants' savings accounts will be made in February, 2026.](#)

This supplement identifies the MTW waivers and activities that HACSC has implemented and hopes to implement to achieve the three MTW statutory objectives which are outlined in more detail below in the sections of Economic Mobility, Cost Effectiveness, and Housing Choice.

Economic Mobility: Implementation of the Opt-Out Savings Account initiative is the focal point of HACSC initial economic mobility efforts. HACSC plans to use the Opt-Out Savings Account program as the baseline for future economic mobility programs. This initiative will assist HACSC to build and expand upon a network of partnerships with service providers, financial service institutions, and other community-based organizations to promote economic mobility. In the first year, the HACSC partnered with a financial capabilities service organization which has provided individual financial coaching sessions to Opt-Out Savings Program participants. Other activities to support economic mobility include administrative changes to the Housing Choice Voucher program such as alternative income inclusions / exclusions, alternative reexamination schedule, and extension of zero HAP participation from 180 to 360 days. HACSC will continue exploring opportunities to encourage assisted households to seek employment opportunities, increased wages, and build assets.

Cost Effectiveness: HACSC is leveraging MTW authority and has implemented a range of waivers to achieve administrative efficiencies and cost effectiveness. These waivers are enabling HACSC to provide more meaningful service to enhance customer service, and to reduce administrative burden for participants and property owners. Program participants benefit from alternative income inclusions / exclusions, alternative reexamination schedule, and self-certification of assets. HACSC conducting certain HQS functions and PBV processes in which third-party assistance was previously required has eliminated administrative time spent coordinating contractors and supports tenants to secure housing. Administrative time savings have allowed HACSC to provide additional resources to our families through the addition of a new Resident Services Coordinator.

Housing Choice: HACSC's approach to improving housing choice includes providing housing stability to program participants that are already housed through waivers such as alternative income inclusions / exclusions, alternative reexamination schedule, and Moving On policies to align tenant rent and utility payments between partner agencies. The strategy to promote housing choice and to increase the supply of affordable housing is being achieved through our increase to the PBV program cap and PBV project cap. ~~The ability to expand~~ [Expansion of the PBV program is has](#) already provided ~~ed~~ [hundreds of new affordable](#) housing opportunities to program participants and continues to support the development of hundreds of new affordable housing units within our community. Additionally, housing choice will be expanded through implementation of ~~an~~ [the Agency Specific Waiver Alternative Total Development Cost \(TDC\) Calculation Methodology to adopt an alternative reasonable cost formula to include Hard Construction Cost \(HCD\) and Total Development Cost \(TDC\)](#) for development and construction activities under the local non-traditional activities.

HACSC is excited to be participating in the Asset Building Cohort and implementing MTW waivers that achieve HUD's statutory objectives. These activities align with the HACSC mission and our long-term vision for MTW.

Under the MTW Operations Notice, the Housing Authority of the County of Santa Cruz is authorized to flexibly and interchangeably utilize Public Housing Operating Fund, Capital Fund Program and certain Housing Assistance Payments funds for any purpose authorized under Sections 8 and 9 of the US Housing Act of 1937 and for local, non-traditional activities. The agency may utilize this flexibility over the fiscal year to support activities described in the Annual Plan in accordance with the requirements of the Operations Notice. HACSC intends, per Federal Register Notice FR-6284-N-01, to extend the term of FUP-Youth and FYI voucher assistance for up to an additional 24 months for youth participating in the HACSC Family Self-Sufficiency (FSS) program or who otherwise meet the criteria for extension as stipulated in FR-6284-N-01.

The Housing Authority may utilize LNT authority under waiver 17.c. for Housing Development Programs. [The Housing Authority invested a total of \\$10.87 million in MTW funds to support both the development and early operations of the Natural Bridges property. This investment occurred in two phases. First, an \\$8.05 million Development Loan, originated in December 2023, provided the core funding needed for construction and initial project start-up. Then in 2025, the Housing Authority supplied an additional \\$2.82 million through two operating loans, which supported the property as it moved into occupancy, covered early operating needs, and helped the project stabilize financially. Together, these two financing events make up the full amount of MTW funds invested in the project. This funding helped Natural Bridges to be completed, opened to residents, and positioned for long-term success as affordable housing in the community.](#)

The Housing Authority ~~purchased has an Option Agreement to acquire~~ “Chanticleer” at 2021 – 2031 Chanticleer Avenue, Santa Cruz, CA 95602 ~~from the seller. The Housing Authority plans to use~~ utilizing MTW funds. ~~for the acquisition. At the time of purchase, t~~he Housing Authority ~~will recorded~~ ed a regulatory agreement and declaration of restrictive covenants in which the property must be used for the development of affordable housing and for the units to be occupied by low-income households with incomes at or below 80% of the Santa Cruz County area median income level. The Housing Authority has authorized a pre-development loan to support the project using LNT funding. In addition, the Housing Authority may utilize LNT authority to purchase an adjacent property, 2030 17th Avenue, to accommodate better access and additional housing units for the 2021 Chanticleer project. A regulatory agreement and declaration of restrictive covenants will be recorded for this parcel. After acquisition, the project is anticipated to consist of the new construction of an estimated 50-60 affordable units, with the exact amount and AMI levels to be determined pending a feasibility analysis. The proposed unit mix includes 50% two-bedroom and three-bedroom units, with the remaining 50% of units to include studios and/or one-bedrooms. The Housing Authority is currently conducting the feasibility analysis to determine the cost and source of funds to support the development and construction of the project. The Housing Authority anticipates MTW funds will also be used to support the development and construction costs of this project utilizing LNT authority and will seek other non-MTW funding such as low-income housing tax credits, HOME, CDBG, and other state and local funding.

C. The policies that the MTW agency is using or has used (currently implement, plan to implement in the submission year, plan to discontinue, previously discontinued).

1. Tenant Rent Policies	
a. Tiered Rent (PH)	Not Currently Implemented
b. Tiered Rent (HCV)	Not Currently Implemented
c. Stepped Rent (PH)	Not Currently Implemented
d. Stepped Rent (HCV)	Not Currently Implemented
e. Minimum Rent (PH)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
g. Total Tenant Payment as a Percentage of Gross Income (PH)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Not Currently Implemented
i. Alternative Utility Allowance (PH)	Not Currently Implemented
j. Alternative Utility Allowance (HCV)	Not Currently Implemented
k. Fixed Rents (PH)	Not Currently Implemented
l. Fixed Subsidy (HCV)	Not Currently Implemented
m. Utility Reimbursements (PH)	Not Currently Implemented
n. Utility Reimbursements (HCV)	Not Currently Implemented
o. Initial Rent Burden (HCV)	Currently Implementing Plan to Implement in the Submission Year
p. Imputed Income (PH)	Not Currently Implemented
q. Imputed Income (HCV)	Not Currently Implemented
r. Elimination of Deduction(s) (PH)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
t. Standard Deductions (PH)	Not Currently Implemented
u. Standard Deductions (HCV)	Currently Implementing
v. Alternative Income Inclusions/Exclusions (PH)	Not Currently Implemented
w. Alternative Income Inclusions/Exclusions (HCV)	Currently Implementing
2. Payment Standards and Rent Reasonableness	
a. Payment Standards- Small Area Fair Market Rents (HCV)	Not Currently Implemented
b. Payment Standards- Fair Market Rents (HCV)	Currently Implementing
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
d. Rent Reasonableness – Third-Party Requirement (HCV)	Currently Implementing
3. Reexaminations	
a. Alternative Reexamination Schedule for Households (PH)	Not Currently Implemented

b. Alternative Reexamination Schedule for Households (HCV)	Currently Implementing
c. Self-Certification of Assets (PH)	Not Currently Implemented
d. Self-Certification of Assets (HCV)	Currently Implementing
4. Landlord Leasing Incentives	
a. Vacancy Loss (HCV-Tenant-based Assistance)	Not Currently Implemented
b. Damage Claims (HCV-Tenant-based Assistance)	Not Currently Implemented
c. Other Landlord Incentives (HCV- Tenant-based Assistance)	Not Currently Implemented
5. Housing Quality Standards (HQS)	
a. Pre-Qualifying Unit Inspections (HCV)	Not Currently Implemented
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	Currently Implementing
d. Alternative Inspection Schedule (HCV)	Plan to Implement in the Submission Year
6. Short-Term Assistance	
a. Short-Term Assistance (PH)	Not Currently Implemented
b. Short-Term Assistance (HCV)	Plan to Implement in the Submission Year Not Currently Implemented
7. Term-Limited Assistance	
a. Term-Limited Assistance (PH)	Not Currently Implemented
b. Term-Limited Assistance (HCV)	Not Currently Implemented
8. Increase Elderly Age (PH & HCV)	
Increase Elderly Age (PH & HCV)	Not Currently Implemented
9. Project-Based Voucher Program Flexibilities	
a. Increase PBV Program Cap (HCV)	Currently Implementing
b. Increase PBV Project Cap (HCV)	Currently Implementing
c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)	Currently Implementing
d. Alternative PBV Selection Process (HCV)	Not Currently Implemented
e. Alternative PBV Unit Types Shared Housing and Manufactured Housing: HCV	Plan to Implement in the Submission Year Not Currently Implemented
f. Increase PBV HAP Contract Length (HCV)	Not Currently Implemented
g. Increase PBV Rent to Owner (HCV)	Not Currently Implemented
h. Limit Portability for PBV Units (HCV)	Currently Implementing

10. Family Self-Sufficiency Program with MTW Flexibility	
a. PH Waive Operating a Required FSS Program	Not Currently Implemented
a. HCV Waive Operating a Required FSS Program	Not Currently Implemented
b. PH Alternative Structure for Establishing Program Coordinating Committee	Not Currently Implemented
b. HCV Alternative Structure for Establishing Program Coordinating Committee	Not Currently Implemented
c. PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
c. HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
d. PH Modify or Eliminate the Contract of Participation (PH)	Not Currently Implemented
d. HCV Modify or Eliminate the Contract of Participation (HCV)	Currently Implementing Plan to Implement in the Submission Year
e. PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
e. HCV Policies for Addressing Increases in Family Income (HCV)	Currently Implementing Plan to Implement in the Submission Year
11. MTW Self-Sufficiency Program	
a. PH Alternative Family Selection Procedures (PH)	Not Currently Implemented
a. HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
b. PH Policies for Addressing Increases in Family Income (PH)	Not Currently Implemented
b. HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented
12. Work Requirement	
a. Work Requirement (PH)	Not Currently Implemented
b. Work Requirement (HCV)	Not Currently Implemented
13. Use of Public Housing as an Incentive for Economic Progress (PH)	
Use of Public Housing as an Incentive for Economic Progress (PH)	Not Currently Implemented
14. Moving on Policy	
a. Waive Initial HQS Inspection Requirement (HCV)	Currently Implementing
b. PH Allow Income Calculations from Partner Agencies (PH)	Not Currently Implemented
b. HCV Allow Income Calculations from Partner Agencies (HCV)	Currently Implementing
c. PH Aligning Tenant Rents and Utility Payments Between Partner Agencies	Not Currently Implemented
c. HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies	Currently Implementing
15. Acquisition without Prior HUD Approval (PH)	
Acquisition without Prior HUD Approval (PH)	Not Currently Implemented
16. Deconcentration of Poverty in Public Housing Policy (PH)	
Deconcentration of Poverty in Public Housing Policy (PH)	Not Currently Implemented

17. Local, Non-Traditional Activities	
a. Rental Subsidy Programs	Plan to Implement in the Submission Year Not Currently Implemented
b. Service Provision	Not Currently Implemented
c. Housing Development Programs	Currently Implementing

C. MTW Activities Plan that Housing Authority Of The County Of Santa Cruz Plans to Implement in the Submission Year or Is Currently Implementing

1.o. - Initial Rent Burden (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>HACSC will waive the maximum family share at initial occupancy of 40% of the family's monthly income. HACSC will not allow the family share at initial occupancy to exceed 50% of the family's monthly income.</p> <p>Santa Cruz County is currently the most expensive rental market in the nation. HACSC requests this waiver to promote increased housing choice for households, allowing HCV participants more options in their housing search. Implementation of this activity allows participants to look for housing that may be more costly than otherwise permitted under HUD regulations, but it also gives participants the option to live in lower poverty neighborhoods with access to better schools and employment opportunities</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Neutral (no cost implications)</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies to all assisted households</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>This waiver has been implemented. N/A</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>

1.u. - Standard Deductions (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

The HACSC intends to establish a standard deduction for medical expenses applicable to all elderly and disabled households with medical expenses exceeding an established threshold. The standard deduction for medical expenses and the threshold at which it applies shall both be indicated in the HACSC Section 8 Administrative Plan. Eligible elderly and disabled families who claim medical expenses at or above the established threshold will be required to sign a self-certification.

This MTW activity doesn't impact the family's eligibility to receive the elderly/disabled and dependent deductions in accordance with §5.611(a)(1) – (a)(2).

For purposes of this MTW activity, medical expenses are defined in accordance with 24 CFR §5.603: Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

For FY starting 7/1/2024, the proposed standard deduction for medical expenses is \$1,500 for elderly and disabled households with expenses at or above a \$1,500 threshold. HACSC will periodically adjust the amount of the standard medical deduction, adhering to HUD's methodology for calculating inflationary adjustments for the elderly/disabled family deduction, pursuant to a pending HUD Federal Register notice.

The MTW activity applies to all tenant-based units and properties with project-based vouchers.

Households may request a Medical Expense Hardship exemption to the standard deduction in accordance with the HACSC Medical Expense Hardship Policy. Families requesting a hardship exception will be asked to complete a medical expense verification packet, and may be asked to provide supporting documents, receipts, and/or contact information of healthcare providers that can verify the expenses.

Staff currently spend a significant amount of time calculating medical expenses to determine a household's allowable medical expense deduction. By establishing a standard deduction for medical expenses, and by allowing households eligible for the standard deduction to self-certify their medical expenses and applying a standardized deduction, significant staff time will be saved. It's anticipated that savings in staff time previously spent calculating medical expenses can be redirected to direct client services or other programs benefiting the clients served by HACSC.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

Elderly and disabled

<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>The MTW activity applies to all tenant-based units and all properties with project-based vouchers.</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The activity was approved by HUD in October 2024 and HACSC has implemented the waiver as proposed. is in the process of implementation. Staff training and Yardi setup are scheduled for Spring 2025, with an anticipated effective date of 7/1/2025.</p>
<p>Does this MTW activity require a hardship policy?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the hardship policy apply to more than this MTW activity?</p> <p>No</p>
<p>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</p> <p>No</p>
<p>How many hardship requests have been received associated with this activity in the past year?</p> <p>One. No hardship were requested in the most recent fiscal year.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>How much will the single standard deduction be in the Fiscal Year?</p> <p>\$1,500</p>

1.w. - Alternative Income Inclusions/Exclusions (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Exclude income from asset-building activities. This change benefits clients, increasing self-sufficiency and housing choice as well as saving tenant time. Additionally, it reduces staff time. Decreased staff paperwork increases operational efficiency and cost-effectiveness.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness; Self-sufficiency; Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Increased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The asset-building activities have been implemented, with deposits effective March 2024. [The final deposits for the two-year pilot program will be made in February 2026, after which this activity will be discontinued.](#)

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

Yes

What is the status of the Safe Harbor Waiver request?

The waiver was previously approved.

Please describe the extent to which the Safe Harbor Waiver is supporting the MTW agency's goal in implementing this MTW activity.

Income attributable to the asset-building activities our PHA has implemented as part of the MTW Asset Building cohort are excluded. This safe harbor waiver contributes to the success of the asset building program.

What inclusions or exclusions will be eliminated, modified, or added?

Income attributable to the asset-building activities our PHA implements as part of the MtW Asset Building Cohort is excluded.

2.b. - Payment Standards- Fair Market Rents (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>The HACSC shall implement a payment standard between 80% and 120% of Fair Market Rents.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Neutral (no cost implications)</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies to all assisted households</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The Housing Authority has established payment standards ranging between 80% and 120% of the Fair Market Rent (FMR). This strategic utilization of payment standards offers flexibility within a reasonable range, aiming to accommodate varying housing market conditions for the benefit of program participants.</p>
<p>Does this MTW activity require a hardship policy?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the hardship policy apply to more than this MTW activity?</p> <p>No</p>
<p>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</p> <p>No</p>
<p>How many hardship requests have been received associated with this activity in the past year?</p> <p>No hardship were requested in the most recent fiscal year.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>Please explain the payment standards by FMR:</p> <p>Currently, PHAs are required to establish payment standards between 90% - 120% Fair Market Rents. The proposed waiver would provide HACSC with greater flexibility to establish payment standards that reflect market rates, resulting in greater housing choice for program families.</p>

2.d. - Rent Reasonableness – Third-Party Requirement (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC no longer requires a third party to conduct rent reasonableness tests and to assist the family in negotiating the rent to owner on units at properties that HACSC owns, manages, and/or controls. HACSC will follow the rent reasonableness process used for all other HCV properties and conduct the test using a database consisting of comparable units or properties. Requiring approval from a third party increases costs and creates potential delays in the availability of needed housing units. Conducting these rent reasonableness tests in-house will achieve greater cost-effectiveness in federal expenditures, improve administrative efficiencies, eliminate confusion for staff and participants, and improve the response time for conducting rent reasonableness analyses. The agency will meet all safe harbor requirements of the Operations Notice including (1) The agency shall establish and make available a quality assurance method to ensure impartiality; (2) The agency shall make available the method used to determine that rents charged by owners to voucher participants are reasonable when compared to similar unassisted units in the market area; and (3) At the Department's request, the agency must obtain the services of a third-party.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness; Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies to all family types

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Applies only to units owned or controlled by the PHA.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The Housing Authority has implemented the waiver and no longer uses a third party to conduct rent reasonable tests for at properties owned and/or controlled by the Agency.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Please explain or upload a description of the quality assurance method.

The HACSC has developed and implemented procedures for the conduct of regularly scheduled quality control of PHA-owned rent reasonableness assessments, including establishing the sampling size and frequency within the procedures and designating quality control roles and responsibilities. An explanation is provided in lieu of an uploaded document. No document is attached.

Please explain or upload a description of the rent reasonableness determination method.

Reasonable rent is currently determined using information produced by Affordable Housing.com, a national rent reasonableness system, via the AffordableHousing.Com database. The AffordableHousing.com database meets HUD regulatory requirements for rent comparisons based on comparable unassisted units, including information about each unit's location, size, type, age, quality/condition, utilities and amenities. HACSC may institute a change to which database is used for Rent Reasonableness determinations but will always utilize a national rent reasonableness system that meets HUD regulatory requirements. An explanation is provided in lieu of an uploaded document. No document is attached.

3.b. - Alternative Reexamination Schedule for Households (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

This waiver provides HACSC with the necessary flexibility to conduct reexaminations as often as needed for cost savings measures, or at least once every three-years to allow participants~~Reducing the frequency of household certifications- allows participants~~ to keep more of their income as their income increases. Longer intervals between reexaminations ~~It also~~ reduces the burden on both participants and Housing Specialists in acquiring, submitting, and processing paperwork. ~~This and waiver~~ gives tenants a longer time with stable rent to allow for better financial planning and housing security. Tenants have a greater ability to save for and accomplish life goals such as pursuing education and rent independence or home ownership. To enhance self-sufficiency and increase housing choice, HACSC will not perform an interim reexamination for earned and/or unearned income increases that occur between regularly scheduled reexaminations, regardless of the amount of the increase, unless requested by the family. This waiver, approved by HUD prior to HUD issuing the new HOTMA Final Rule updates to 24 CFR 982.505, supersedes the HOTMA updates which are in conflict with this approved waiver and at odds with the administrative efficiencies created by HACSC's implemented alternative reexamination schedule. Per our existing waiver, HACSC will only apply increases in the payment standard amount outside of regular re-examinations for contract rent increases in which the gross rent would result in an increase in the family share, or in the case of a hardship.

There is no limit to the number of interim reexaminations a family may request per year, without requesting a hardship, for qualifying events.

The activity meets all of the applicable safe harbor requirements in the Operations Notice including (1) Reexaminations must occur at least every three years; (2) The agency must allow at least one interim adjustment per year at the request of the household, if the household gross income has decreased 10% or more; (3) Agency must implement an impact analysis; and (4) Agency must include a hardship policy.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness; Self-sufficiency

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Increased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

~~HACSC has implemented the waiver with no changes to the waiver request as submitted.~~ With HACSC's waiver of certain provisions of 24 CFR Part 982.516(a) and (c), HACSC has introduced an Alternative Reexamination Schedule to streamline reevaluation processes. Under this initiative, MTW households reliant on fixed-income sources have been undergoing reexaminations at least every three years, non-fixed income MTW households every two years, and all other households annually. Fixed income is defined as stable and primary income sources such as Social Security, Disability Insurance, employment pensions, Veterans Affairs benefits, or similar. As this waiver was written and implemented, HACSC conducts interim adjustments to redetermine subsidy only when the household experiences a qualifying event. Qualifying events are described in the HCV Administrative Plan and include decreases in income, increases in income when requested by the household, changes in household composition, and changes to the contract rent. This waiver, approved by HUD prior to HUD issuing the new HOTMA Final Rule updates to 24 CFR 982.505, supersedes the HOTMA updates which are in conflict with this approved waiver and at odds with the administrative efficiencies created by HACSC's implemented alternative reexamination schedule. Effective 7/1/2026, HACSC intends to utilize the full flexibility of this waiver to establish a policy of conducting re-examinations triennials (at least every three years) for all households. However, HACSC reserves the right to and conduct reexaminations as more frequently as needed for cost savings measures, for the even distribution of workload for staff, or may establish any other ~~or may place any family on an alternative reexamination schedule of up to~~ as long as all families are recertified at least every three years. Per our existing waiver, HACSC will only apply increases in the payment standard amount outside of regular re-examinations for contract rent increases in which the gross rent would result in an increase in the family share, or in the case of a hardship.

<p>Does this MTW activity require a hardship policy?</p> <p>Yes</p> <p>This document is attached.</p>
<p>Does the hardship policy apply to more than this MTW activity?</p> <p>No</p>
<p>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</p> <p>No</p>
<p>How many hardship requests have been received associated with this activity in the past year?</p> <p>No hardships were requested in the most recent fiscal year.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>Yes</p> <p>The document is attached.</p>
<p>Does the impact analysis apply to more than this MTW activity?</p> <p>No</p>
<p>What is the recertification schedule?</p> <p>Other</p> <p>The Housing Authority will conduct reexaminations at least every three years, but may conduct reexaminations more frequently as needed for cost savings measures, for the even distribution of workload for staff, or may establish any other alternative reexamination schedule as long as all families are recertified at least every three years. as often as needed for cost savings measures and may place any household on a reexamination schedule of up to three years. for fixed-income households at least every three years, conduct reexaminations for non-fixed income households under MTW flexibility at least every two years, and all other households will have a reexamination conducted annually. Fixed Income means primary or sole source of income that comes from stable and fixed sources such as Social Security, Social Security Disability Insurance, employment pensions, Veterans Affairs benefits, or similar. Zero income families are not considered to be fixed income; zero income families will have reexaminations conducted annually.</p> <p>In between reexaminations, the HACSC will conduct any number of interim adjustments to redetermine subsidy when the household experiences a qualifying event. Qualifying events will include decreases in income, without regard to a specified threshold, increases in income (when requested by the household), changes in household composition, and changes to the contract rent. When interim adjustments are conducted, HACSC may apply payment standards and utility allowances in effect at the time of the effective date of the adjustment. HACSC will reserve the right to conduct reexaminations more frequently either for administrative or financial reasons. HACSC will not perform an interim reexamination for both earned and unearned income increases that occur between regularly scheduled reexaminations, regardless of the amount of the increase, unless requested by the family.</p> <p>Families may also request an interim reexamination under the HACSC hardship policy. A hardship may be requested if a family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance; and/or, the family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items.</p>
<p>How many interim recertifications per year may a household request?</p> <p>2 or more</p>
<p>Please describe briefly how the MTW agency plans to address changes in family/household circumstances under the alternative reexamination schedule.</p> <p>The HACSC will conduct reexaminations at least every three years, but may conduct reexaminations more frequently as needed for cost savings measures, for the even distribution of workload for staff, or may establish any other alternative reexamination schedule as long as all families are recertified at least every three years. as often as needed for cost savings measures and may place any household on a reexamination schedule of up to three years. for fixed-income families at least every three years and will conduct reexaminations for all remaining (non-fixed income families) at least every two years. Between reexaminations, the HACSC will conduct interim adjustments to redetermine subsidy when the</p>

household experiences a qualifying event. Qualifying events are described in the HCV Administrative Plan and include decreases in income, increases in income (when requested by the household) changes in household composition, and changes to the contract rent. When interim adjustments are conducted, HACSC may apply payment standards and utility allowances in effect at the time of the effective date of the adjustment. HACSC will reserve the right to conduct reexaminations more frequently either for administrative or for financial reasons.

3.d. - Self-Certification of Assets (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

At reexamination, the agency will allow the self-certification of assets up to \$50,000. Reduced documentation requirements will reduce staff time for processing, thereby increasing operational efficiency and cost effectiveness. Reducing documentation saves time for staff and the majority of tenants whose assets are below a level that makes a difference in qualifying for support.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The Housing Authority has implemented this waiver and is allowing households to self-certify assets up to \$50,000. This initiative simplifies the asset verification process, empowering eligible households to self-report assets within the specified threshold.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Please state the dollar threshold for the self-certification of assets.

\$50,000.

5.c. - Third-Party Requirement (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>HACSC eliminated the requirement for third -party inspections on units at properties the PHA owns, manages, and/or controls, which will save staff time, increase operational efficiency, and increase cost effectiveness. Additionally, it may increase housing choice for tenants through a faster inspection process. With third-party inspections, delays are beyond HACSC's control. HACSC has certified HQS Inspectors on staff and plans to utilize them for PHA-owned unit inspections. This will increase efficiency and reduce staff time. This change will allow HACSC to operate more efficiently and strategically to serve its mission and focus on innovative programs and services to tenants. HACSC will comply with all waiver safe harbors.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Cost effectiveness; Housing choice</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Decreased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies to all family types</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>Applies only to units owned or controlled by the PHA.</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The Housing Authority has removed the requirement for third-party inspections on all units, both PBV and HCV, owned or controlled by the Agency. This strategic move is streamlining operations, reducing staff workload, and enhancing cost efficiency by eliminating the need for external inspections.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Please explain or upload the description of the quality assurance method:</p> <p>HACSC has developed and implemented procedures for the conduct of regularly scheduled quality control of PHA-owned PBV and HCV unit inspections, including establishing the sampling size and frequency within the procedures and designating quality control inspector roles and responsibilities.</p> <p>An explanation is provided in lieu of an upload. No document is attached.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>

5.d. - Alternative Inspection Schedule (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC proposes to modify the frequency of inspections for both HCV and PBV Units, to be conducted every three years instead of every two years. This change will result in the ability to reallocate staff time to better meet the needs of residents and participants and working with the community to assess and help meet other housing needs. Participants and/or property owners will continue to be able to request an inspection at any time. This change does not allow any alteration of the Housing Quality Standards, nor does it prohibit the Housing Authority from requiring an inspection at any time for health, safety and accessibility issues. This change will save staff time thus allowing staff to devote more time to supporting participants and the housing issues in the larger community and reduce the burden on participants and property owners who need to schedule time to open up the unit to our inspectors.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

[The waiver is in the process of being implemented.](#) ~~N/A~~

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

6.b. - Short-Term Assistance (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC proposes to create a short-term housing assistance program with supportive services in its HCV program. The term of assistance will not be shorter than 3 months. The term of assistance will not be longer than 36 months. The short-term housing assistance program will include supportive services in one or more buildings (which may be in collaboration with local community-based organization and government agencies). Subject to voucher and funding availability, successful participants of the short-term housing assistance program will be given the option of transferring into the Housing Choice Voucher program. Under no circumstances will participants be required to participate in supportive services that are targeted to persons with disabilities in general, or persons with any specific disability. HACSC will not require participation in supportive services as a condition for housing subsidy for elderly and disabled families. If HACSC requires participation in supportive services as a condition for housing subsidy, an impact analysis will be developed and adopted in accordance with MTW guidance prior to the implementation of the activity. If HACSC requires participation in supportive services as a condition for housing subsidy, a hardship policy will be developed and adopted in accordance with MTW guidance prior to the implementation of the activity.

Which of the MTW statutory objectives does this MTW activity serve?

Self-sufficiency; Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Increased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

Currently assisted households and new admissions.

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

All households eligible for the waiting list preference 'Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes' which is an existing preference included in the HACSC Section 8 Administrative Plan.

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

The activity applies to all tenant-based and all project-based units.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does this MTW activity require a hardship policy?

No

[No document is attached.](#)

[Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?](#)

[No](#)

[Does the MTW activity require an impact analysis?](#)

[No](#)

[No document is attached.](#)

[What is the term of assistance?](#)

[Up to 36 months](#)

[How is the tenant contribution established for this program?](#)

[Standard HCV calculation methods](#)

[How many households do you expect to serve in this program in the Fiscal Year?](#)

[50](#)

[How do you fulfill the obligation to offer participants in this program the opportunity to transition to the HCV or public housing \(as applicable\) program subject to availability?](#)

[All households eligible for the waiting list preference 'Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes' which is an existing preference included in the HACSC Section 8 Administrative Plan.](#)

[Please list any partner organizations and briefly note the services that each provides.](#)

[The Continuum of Care \(CoC\) is collaborating with HACSC to identify strategies ensuring supportive services are available. The CoC has multiple agencies under contract for provision of supportive services.](#)

9.a. - Increase PBV Program Cap (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

The HACSC proposes to project-base the lower of fifty percent (50%) of the total authorized units or fifty percent (50%) of annual budget authority of its vouchers to attach the funding to specific affordable units through the Project Based Voucher program.

The Project-Based Voucher (PBV) program allows a Housing Authority to use up to twenty percent (20%) percent of its vouchers to attach the funding to specific affordable units. PHAs may project base an additional ten percent (10%) of vouchers that are excepted from this cap, for units designated for homeless, veterans, supportive services, or in a low poverty census tract.

-Benefits to Development: Project basing gives developers a guarantee of a future source of stable income for a development, which can be integral to the financing package that makes constructing or rehabilitating affordable housing possible. In markets facing a housing shortage, this is one of the only tools housing authorities have to spur the construction of new, quality, affordable units. Many families with tenant-based vouchers struggle to find a unit in the private rental market due to an extreme scarcity of rental housing and property owner reluctance to participate in the voucher program. Scarcity of rental units leads to tenant-based vouchers often expiring before a household can secure a unit, and results in loss of voucher assistance. Committing vouchers to affordable properties through the PBV program ensures those units will be available exclusively to voucher households. Since the PBV program promotes construction of affordable housing in high opportunity low poverty neighborhoods, increasing the PBV cap allows more low-income households, often including children, to benefit from good neighborhoods that are likely to have better schools, parks, healthcare, jobs, transportation, and other assets that improve outcomes for low-income families. Families are not required to stay in PBV units and may move into any unit of their choosing in the private market using a tenant-based voucher at the end of their initial lease term, freeing up the PBV unit for the next eligible household waiting for assistance.

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

This waiver has been implemented as planned, and HACSC [has](#) ~~is~~ [continued](#) ~~ing~~ to spur new affordable housing production with awards of project-based vouchers to projects selected through the RFP process. ~~HACSC has introduced a new PBV Request for Proposals and will continue to expand the PBV portfolio. Before the end of FY 2024-25, HACSC's total commitment of PBVs is anticipated to exceed 30% of our ACC Authorized Units.~~

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

What percentage of total authorized HCV units will be authorized for project-basing?

50.00%

9.b. - Increase PBV Project Cap (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Allows more than the greater of twenty-five units or 25% of the units at a complex to receive Project-Based Voucher assistance. Under current regulations, "excepted" units that are for the elderly or those providing supportive services are already exempt from this cap. This activity would allow units that may not be serving the excepted populations to go above the cap up to 100% of the units at a project. This will increase housing choice and contribute to the development of additional affordable housing production available to households eligible for the Section 8 Program. The HACSC will continue to be subject to Notice PIH 2013-27 where applicable, or successor notices.

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The Housing Authority initially implemented this waiver in FY 2023-24 to allow more than the greater of twenty-five units or 40% of the units at a complex to receive PBV assistance and introduced a new PBV Request for Proposals. The Housing Authority has since reduced the PBV Project Cap back down to the greater of 15 units or 40 percent of the units at the project. The waiver as approved still allows HACSC to award up to 100% of the units at a project.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

9.c. - Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

Under this waiver, the HACSC eliminated the independent third-party selection process and competitive process in the award of PBV's to properties owned or controlled by the agency when the agency is not engaged in an initiative to improve, develop, or replace a public housing property or site. All other PBV selection and approval requirements, including HQS compliance, NEPA review and subsidy layering review are still applicable and must be conducted. The HACSC will comply with the following Safe Harbor requirements (1) A subsidy layering review must be conducted; (2) The agency must complete site selection requirements; (3) HQS inspections must be performed by an independent entity according to 24 CFR 983.59(b) or 24 CFR 983.103(f), unless MTW waiver 5.c. or an Agency-Specific Waiver is implemented; (4) The agency is subject to Notice PIH 2013-27 where applicable, or successor; and (5) Property must be owned by a single-asset entity of the agency, see Notice PIH 2017-21. The HACSC has an approved MTW waiver to conduct its own inspections for PHA-owned or controlled units.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies to all family types

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Applies only to units owned or controlled by the PHA.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The HACSC eliminated the independent third-party selection process and competitive process in the award of PBV's to properties owned or controlled by the agency when the agency is not engaged in an initiative to improve, develop, or replace a public housing property or site.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

9.e. - Alternative PBV Unit Types (Shared Housing and Manufactured Housing) (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC proposes to attach and pay PBV assistance for shared housing units and/or manufactured housing, in accordance with Safe Harbor provisions:

- i. PBV units must comply with HQS.
- ii. PBV units must comply deconcentration and desegregation requirements under 24 CFR part 903.
- iii. A subsidy layering review must be conducted.
- iv. Shared housing units may not be owner occupied.

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies to all family types

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to all properties with project-based vouchers

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

How many shared housing units does the MTW agency anticipate assisting in the Fiscal Year?

30

How many shared housing units did the MTW agency assist in the most recently completed PHA Fiscal Year?

0

How many manufactured housing units does the MTW agency anticipate assisting in the Fiscal Year?

0

How many manufactured housing units did the MTW agency assist in the most recently completed PHA Fiscal Year?

0

9.h. - Limit Portability for PBV Units (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC will limit moves from PBV units using a Housing Choice Voucher for 24 months after PBV move-in for applicants coming from site-based waiting lists or from non-waiting list referral programs. PBV Residents coming from the HCV waiting list will continue to have portability with a Housing Choice Voucher after 12 months. This change ensures that households electing to move into a PBV unit cannot convert to an HCV after only one year, effectively bypassing the HCV waitlist. Additionally, it decreases the administrative burden for staff after initial intake. HACSC will comply with all safe harbor requirements including (1) Portability under this activity must not be restricted for more than 24 months; (2) The agency must have a clear and uniform policy in place to address how move requests are received and how they are approved/denied for PBV households; and (3) Participants must still retain the ability to request a tenant-based voucher for reasonable accommodation according to existing rules.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The Housing Authority has not yet implemented this waiver.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

10.d.HCV - Modify or Eliminate the Contract of Participation (HCV)
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>The agency is authorized to modify the terms of or eliminate the FSS Contract of Participation (HUD-52650), in lieu of a local form. The agency may modify the terms of the Contract of Participation to align with adjustments made to its MTW FSS Program using MTW flexibility. Further, the agency may discontinue use of the Contract of Participation and instead employ a locally-developed agreement that codifies the terms of participation. The proposed activity will meet all of the applicable safe harbor requirements in the Operations Notice.</p>
<p>Which of the MTW statutory objectives does this MTW activity serve?</p> <p>Self-sufficiency</p>
<p>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</p> <p>Increased expenditures</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Participants in the FSS Program</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>The MTW activity applies to all tenant-based units and to all properties with project-based vouchers</p>
<p>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</p> <p>The waiver is in the process of being implemented. N/A</p>
<p>Does this MTW activity require a hardship policy?</p> <p>No</p> <p>No document is attached.</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p> <p>No</p>
<p>Does the MTW activity require an impact analysis?</p> <p>No</p> <p>No document is attached.</p>

10.e.HCV - Policies for Addressing Increases in Family Income (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC proposes to increase the FSS Program incentives for income growth, resident participation, education and training outcomes. These new incentives could motivate and support residents to realize a higher degree of economic independence. HACSC proposes two parts to the escrow payment: (1) The existing monthly deposit to a participant's escrow account when they have increased earned income that results in a Total Tenant Payment (TTP) over the baseline set when they join FSS. (2) Specific dollar amounts, to be established annually, payable to a participant's escrow account based on specific achievements such as completion of financial literacy education, completion of vocational training, or maintaining employment for specified periods of time. Some of these incentive payments result in an immediate deposit to the escrow account while others would not be calculated and paid until a successful program graduation.

Which of the MTW statutory objectives does this MTW activity serve?

Self-sufficiency

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Increased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

Participants in the FSS Program

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

The MTW activity applies to all tenant-based units and to all properties with project-based vouchers.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

[The waiver is in the process of being implemented.](#) ~~N/A~~

Does this MTW activity require a hardship policy?

No

No document is attached.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does the MTW activity require an impact analysis?

No

No document is attached.

How will the MTW agency treat increased earnings for families participating in the FSS Program with MTW flexibility?

HACSC proposes two parts to the escrow payment:

(1) The existing monthly deposit to a participant's escrow account when they have increased earned income that results in a Total Tenant Payment (TTP) over the baseline set when they join FSS. This would be no change to how it is calculated without MTW flexibility.

(2) In addition to the standard increases to the escrow account, specific incentive payment amounts, to be established annually, payable to a participant's escrow account based on specific achievements such as completion of financial literacy education, completion of vocational training, or maintaining employment for specified periods of time. Some of these incentive payments result in an immediate deposit to the escrow account while others would not be calculated and paid until a successful program graduation.

14.a. - Waive Initial HQS Inspection Requirement (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC may, at their discretion, waive the initial HQS inspection requirement for PSH residents transitioning into voucher-based assistance who are remaining in their unit. Waiving the initial HQS inspection will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance seamlessly without the disruption of inspection. Participants retain the right to request inspection at any time. [HACSC will comply with all waiver safe harbors.](#)

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness; Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

Currently assisted households only

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

Only residents of Permanent Supportive Housing Programs.

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The Housing Authority has implemented this waiver and now allows discretion for PSH residents transitioning to voucher-based assistance and staying in their current unit to potentially bypass the Initial HQS inspection. This streamlined approach aims to enhance efficiency and minimize costs during transitions, while participants retain the option to request an inspection at their convenience.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

14.b.HCV - Allow Income Calculations from Partner Agencies (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC may, at their discretion, utilize the income calculations and documentation from partner agencies for PSH households transitioning to voucher-based assistance, provided that income calculations must be determined in accordance with 24 CFR 5.609 and that any income calculations accepted from partner agencies must have been calculated within the past year. Utilizing the income calculations and documentation from partner agencies will decrease costs and increase efficiency, allowing the PSH household to transition to voucher-based assistance quickly and seamlessly without completing redundant paperwork and procuring verification documents, which can be extremely challenging for vulnerable populations. The Agency shall comply with all Safe Harbor provisions including 14.b.iv: Screenings for lifetime sex offender status and convictions of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing must continue and are not waivable.

Which of the MTW statutory objectives does this MTW activity serve?

Cost effectiveness

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Decreased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

Currently assisted households only

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

Only residents of Permanent Supportive Housing Programs transitioning to a voucher.

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The Housing Authority has implemented a waiver allowing the use of partner agency income calculations and documentation, aligning with 24 CFR 5.609 (defining annual income) and within a one-year timeframe. This measure is aimed at streamlining transitions, reducing costs, and simplifying the process for PSH households by eliminating redundant paperwork and easing document verification burdens, especially for vulnerable populations.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

14.c.HCV - Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC may, at their discretion, adjust the subsidy for PSH residents transitioning into voucher-based assistance to align the tenant's portion of rent with the PSH program they are transitioning from. If a PSH tenant is transitioning from a program with a different subsidy structure, the transition could result in a significant increase in the tenant's contribution of rent, potentially resulting in displacement from their current unit. Having the flexibility to align the voucher subsidy with the subsidy from the PSH program will avoid increases in tenant rent burden and the potential for displacement.

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Increased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

Currently assisted households only

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

Only residents of Permanent Supportive Housing Programs transitioning to a voucher.

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Tenant-based Permanent Supportive Housing units from which resident will transition into a tenant-based or project-based voucher unit.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The Housing Authority has implemented a waiver enabling the adjustment of subsidies for PSH residents transitioning to voucher-based assistance, aligning with the tenant's previous rent contributions from their PSH program. This measure aims to prevent substantial increases in tenant rent payments during transitions between programs with varying subsidy structures, thereby mitigating the risk of displacement for affected individuals.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

17.a. - Rental Subsidy Programs

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC proposes to establish a program that uses MTW Funding to provide a rental subsidy to a third-party entity such as the Housing Authority's nonprofit organization or another qualified service provider (other than a landlord or tenant). The program administrator would manage intake and administration of the subsidy program to implement activities, which may include: supportive housing programs and services to help homeless individuals and families reach independence; supportive living; rental assistance; shallow subsidies; homeless/transitional housing programs; or programs that address special needs populations.

Which of the MTW statutory objectives does this MTW activity serve?

Self-sufficiency; Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Increased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

Currently assisted households only

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

All households eligible for the waiting list preference 'Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes' which is an existing preference included in the HACSC Section 8 Administrative Plan.

Does the MTW activity apply to all public housing developments?

The MTW activity applies to all developments

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

The activity applies to LIHTC units or other income- or rent-restricted units with "affordable" rents that exceed 30% of tenants' income.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does the MTW activity apply to all LNT units/properties?

The MTW activity applies to specific units/properties

Describe which LNT units/properties participate in the MTW activity?

The activity applies to LIHTC units or other income- or rent-restricted units with “affordable” rents that exceed 30% of tenants’ income.

17.c. - Housing Development Programs

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC intends to use MTW funding to acquire, renovate and/or build affordable units that are not public housing units. Eligible activities may include gap financing or construction costs for development of affordable housing, conducted by the PHA or a PHA-controlled affiliate or by a non-PHA affordable housing developer, including but not limited to development of tax credit units, or affordable units funded with any other local, state, or federal funds. HACSC will not spend more than 10% of its HAP budget on local, non-traditional activities. Families receiving housing or services through local, non-traditional activities must meet the definition of low-income. Local, non-traditional development activities will be conducted in accordance with the applicable requirements of PIH Notice 2011-45 and the MTW Operations Notice. The Agency shall comply with Safe Harbor provisions requiring compliance with Section 30 of the 1937 Housing Act and that any MTW Funding awarded to a third-party provider must be competitively awarded.

Which of the MTW statutory objectives does this MTW activity serve?

Housing choice

What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.

Increased expenditures

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies to all assisted households

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

The Housing Authority has provided \$8.9 million of LNT funding for the construction of a 20-unit affordable housing development called Natural Bridges in Santa Cruz. ~~That development is helping the Housing Authority reach its goal of providing new affordable housing opportunities to program participants in the community.~~ Construction at Natural Bridges was completed in ~~December 2024,~~ December 2024 and leased up in January, 2025. ~~the process of moving tenants in has commenced.~~ The Housing Authority used \$2.9 million of LNT funds to purchase a 1-acre property at 2021 Chanticleer Avenue for the development of 50-60 affordable units and provided a \$4.8 million loan utilizing LNT funds to support pre-development expenses for the project. These activities are helping the Housing Authority reach its goal of providing new affordable housing opportunities to program participants in the community.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Table 17.c.1 - Housing Development Programs that the MTW Agency plans to commit Funds to in Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Chanticleer	New Construction	TBD	560.00	560.00	0.00	0.00	0.00	0.00
<u>Chanticleer</u>	<u>Predevelopment</u>	<u>TBD</u>	<u>60.00</u>	<u>50.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Portola	Acquisition	TBD	0.00	0.00	0.00	0.00	0.00	0.00

Housing Development Programs that the MTW Agency plans to spend funds on in the Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Chanticleer	New Construction	TBD	56 0.00	56 0.00	0.00	0.00	0.00	0.00
Chanticleer	Predevelopment	TBD	60.00	60.00	0.00	0.00	0.00	0.00
Portola	Acquisition	TBD	0.00	0.00	0.00	0.00	0.00	0.00

Table 17.c.2 - Housing Development Programs that the MTW Agency committed funds to in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Natural Bridges Apartments	New Construction	Gap Financing or Construction	20.00	20.00	0.00	20.00	0.00	0.00
Chanticleer	Acquisition/Predevelopment	TBD	50.00	50.00	0.00	0.00	0.00	0.00
Portola	Acquisition	TBD	0.00	0.00	0.00	0.00	0.00	0.00

Housing Development Programs that the MTW Agency spent funds on in prior Fiscal Year

Name of Development and Address	MTW Role: Acquisition, Rehabilitation, New Construction?	Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other	Number of Affordable Units	Total Number of Units	Number of Units by Affordability - 80% of AMI	Number of Units by Affordability - 50% of AMI	Number of Units by Affordability - 30% of AMI	Number of Units by Affordability - Other
Natural Bridges Apartments	New Construction	Gap Financing or Construction	20.00	20.00	0.00	20.00	0.00	0.00
Chanticleer	Predevelopment Acquisition	Gap Financing TBD	56 0.00	56 0.00	0.00	0.00	0.00	0.00
Portola	Acquisition	TBD	0.00	0.00	0.00	0.00	0.00	0.00

D.	Safe Harbor Waivers.
D.1	<p>Will the MTW agency submit request for approval of a Safe Harbor Waiver this year?</p> <p>No Yes, the Safe Harbor Waiver request(s) for 1h, 1w is (are) attached.</p>

E.	Agency-Specific Waiver(s).
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Agency-Specific Waiver(s) for HUD Approval:

The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, flexibilities beyond those provided for in Appendix I may be needed. Agency-Specific Waivers may be requested if an MTW agency wishes to implement additional activities, or waive a statutory and/or regulatory requirement not included in Appendix I.

In order to pursue an Agency-Specific Waiver, an MTW agency must include an Agency-Specific Waiver request, an impact analysis, and a hardship policy (as applicable), and respond to all of the mandatory core questions as applicable.

For each Agency-Specific Waiver(s) request, please upload supporting documentation, that includes: a) a full description of the activity, including what the agency is proposing to waive (i.e., statute, regulation, and/or Operations Notice), b) how the initiative achieves one or more of the 3 MTW statutory objectives, c) a description of which population groups and household types that will be impacted by this activity, d) any cost implications associated with the activity, e) an implementation timeline for the initiative, f) an impact analysis, g) a description of the hardship policy for the initiative, and h) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement.

Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year?

Yes

E.1	<table border="1"> <thead> <tr> <th data-bbox="196 1239 873 1285">Title</th> <th data-bbox="873 1239 1554 1285">Supporting Documents Attached</th> </tr> </thead> <tbody> <tr> <td data-bbox="196 1285 873 1381">Align Rent Redetermination Dates for PHA-Owned or Managed PBV Properties</td> <td data-bbox="873 1285 1554 1381"><u>2</u></td> </tr> <tr> <td data-bbox="196 1381 873 1478">Impose Limit on PBV to HCV Conversion</td> <td data-bbox="873 1381 1554 1478"><u>3</u></td> </tr> <tr> <td data-bbox="196 1478 873 1575">Direct Referral Program</td> <td data-bbox="873 1478 1554 1575"><u>2</u></td> </tr> <tr> <td data-bbox="196 1575 873 1671">MTW Value Voucher</td> <td data-bbox="873 1575 1554 1671"><u>2</u></td> </tr> <tr> <td data-bbox="196 1671 873 1768">Independent Entity Requirements for Project-Based Vouchers</td> <td data-bbox="873 1671 1554 1768"></td> </tr> <tr> <td data-bbox="196 1768 873 1864">Alternative Development Cost Limits</td> <td data-bbox="873 1768 1554 1864"></td> </tr> <tr> <td data-bbox="196 1864 873 1948">PBV Subsidy Standards for PBV Units</td> <td data-bbox="873 1864 1554 1948"></td> </tr> </tbody> </table>	Title	Supporting Documents Attached	Align Rent Redetermination Dates for PHA-Owned or Managed PBV Properties	<u>2</u>	Impose Limit on PBV to HCV Conversion	<u>3</u>	Direct Referral Program	<u>2</u>	MTW Value Voucher	<u>2</u>	Independent Entity Requirements for Project-Based Vouchers		Alternative Development Cost Limits		PBV Subsidy Standards for PBV Units	
Title	Supporting Documents Attached																
Align Rent Redetermination Dates for PHA-Owned or Managed PBV Properties	<u>2</u>																
Impose Limit on PBV to HCV Conversion	<u>3</u>																
Direct Referral Program	<u>2</u>																
MTW Value Voucher	<u>2</u>																
Independent Entity Requirements for Project-Based Vouchers																	
Alternative Development Cost Limits																	
PBV Subsidy Standards for PBV Units																	

E. 2

Agency-Specific Waiver(s) for which HUD Approval has been Received:

Does the MTW agency have any approved Agency-Specific Waivers?

Yes

Title	Has there been any change in how the waiver is being implemented from when it was originally approved?	Please provide a description of what has changed.
PBV Subsidy Standards	No	
Independent Entity Requirements for Project-Based Vouchers	No	
Alternative Total Development Cost (TDC) Calculation Methodology	No	
Extend Zero HAP to 360 Days	No	
Use of TIC for PBV Eligibility	Yes	HACSC initially implemented as approved, however we revised the waiver effective 7/1/2024 to: For PBV units that also are subject to the requirements of the Low-Income Housing Tax Credit (LIHTC) Program, HACSC proposes to use the TIC form required under the LIHTC Program as verification of the family's income and assets. Owners of PBV units that receive LIHTCs must comply with Federal LIHTC regulations, which are similar to HCV regulations regarding verification of income and assets when determining and recertifying income eligibility of residents. The TIC will only be used as verification of income and assets.

F.	Public Housing Operating Subsidy Grant Reporting.
F.1	Total Public Housing Operating subsidy amount authorized, disbursed by 9/30, remaining, and deadline for disbursement, by Federal Fiscal Year for each year the PHA is designated an MTW agency.

Federal Fiscal Year (FFY)	Total Operating Subsidy Authorized Amount	How Much PHA Disbursed by the 9/30 Reporting Period	Remaining Not Yet Disbursed	Deadline
	\$0	\$0	\$0	
	\$0	\$0	\$0	
	\$0	\$0	\$0	
	\$0	\$0	\$0	
	\$0	\$0	\$0	

G.	MTW Statutory Requirements.	
G.1	75% Very Low Income – Local, Non-Traditional. HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW agency are very low-income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA must provide data for the actual families housed upon admission during the PHA's most recently completed Fiscal Year for its Local, Non-Traditional program households.	
	Income Level	Number of Local, Non-Traditional Households Admitted in the Fiscal Year*
	80%-50% Area Median Income	0
	49%-30% Area Median Income	0
	Below 30% Area Median Income	200
	Total Local, Non-Traditional Households	200

*Local, non-traditional income data must be provided in the MTW Supplement form until such time that it can be submitted in IMS-PIC or other HUD system.

G.2	Establishing Reasonable Rent Policy.
Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency? Yes	

G.3	Substantially the Same (STS) – Local, Non-Traditional.
The total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year.	0 # of unit months
The total number of unit months that families were housed in a local, non-traditional housing development program for the prior full calendar year.	2330 # of unit months

Number of units developed under the local, non-traditional housing development activity that were available for occupancy during the prior full calendar year:

PROPERTY NAME/ ADDRESS	0/1 BR	2 BR	3 BR	4 BR	5 BR	6+ BR	TOTAL UNITS	POPULATION TYPE*	if 'Population Type' is Other	# of Section 504 Accessible (Mobility)**	# of Section 504 Accessible (Hearing/ Vision)	Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year?	What was the Total Amount of MTW Funds Invested into the Property?
Natural Bridges 415 Natural Bridges Dr, Santa Cruz, CA 95060	20.00 0.00	0.00	0.00	0.00	0.00	0.00	20.00 0.00	General		1.00 0.00	1.00 0.00	Yes	\$10.87 Million 0.00
Totals	20.00 0	0	0	0	0	0	0	General		1.00	1.00	Yes	\$10.87 Million

G.4	Comparable Mix (by Family Size) – Local, Non-Traditional.
<p>To demonstrate compliance with the statutory requirement to continue serving a 'comparable mix" of families by family size to that which would have been served without MTW, the MTW agency will provide the number of families occupying local, non-traditional units by household size for the most recently completed Fiscal Year in the provided table.</p>	
Family Size:	Occupied Number of Local, Non-Traditional units by Household Size
1 Person	200
2 Person	0
3 Person	0
4 Person	0
5 Person	0
6+ Person	0
Totals	0

H.	Public Comment
<p>Attached you will find a copy of all of the comments received and a description of how the agency analyzed the comments, as well as any decisions made based on those comments. (PENDING PUBLIC COMMENT)</p>	
<p>Please see attached for an additional public hearing held for Agency-Specific Waiver(s) and/or Safe Harbor Waiver(s) (PENDING PUBLIC COMMENT)</p>	

I.	Evaluations.
<p>No known evaluations.</p>	

E.1 Agency-Specific Waiver

Waiver Title: Align Rent Redetermination Dates for PHA-Owned or Managed PBV Properties

Regulations to Waive:

983.302(b)(1) An owner may receive an increase in the rent to owner during the term of a HAP contract. Any such increase will go into effect at the annual anniversary of the HAP contract.

983.302(e)(2) The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

HACSC proposes waiving certain provisions of 24 CFR 983.302 to permit alignment of the rent redetermination dates of all PHA-owned/managed PBV units. With numerous properties having different PBV HAP contract anniversary dates, the annual process for redetermining rents for every property is administratively burdensome. HACSC proposes to put all PBV HAP contracts for PHA-owned properties on the same annual cycle for rent redetermination. HACSC proposes aligning all PBV HAP contracts for PHA-owned/managed PBV units to have rent redeterminations effective March 1st of every year, rather than on the annual anniversary of the HAP contract. By aligning the rent redeterminations to occur on the same annual date, HACSC anticipates reduced administrative burden and associated staffing costs.

This MTW activity serves the following statutory objectives:

Cost effectiveness.

Cost Implications

Decreased costs.

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

Only residents of PHA-owned or managed PBV units.

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Applies only to PBV units owned or controlled by the PHA.

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does this MTW activity require a Hardship Policy:

No

Does the MTW activity require an impact analysis?

Yes

This document is attached.

Does the impact analysis apply to more than this MTW activity?

No

Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered.

Pending public hearing March 2026.

Impact Analysis
For Waiver Type: Agency Specific
Waiver Title: Align Rent Redetermination Dates for PHA-Owned or Managed PBV Properties
<p>Regulations to Waive:</p> <p>983.302(b)(1) An owner may receive an increase in the rent to owner during the term of a HAP contract. Any such increase will go into effect at the annual anniversary of the HAP contract.</p> <p>983.302(e)(2) The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract.</p>
<p>Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</p> <p>HACSC proposes waiving certain provisions of 24 CFR 983.302 to permit alignment of the rent redetermination dates of all PHA-owned/managed PBV units. With numerous properties having different PBV HAP contract anniversary dates, the annual process for redetermining rents for every property is administratively burdensome. HACSC proposes to put all PBV HAP contracts for PHA-owned properties on the same annual cycle for rent redetermination. HACSC proposes aligning all PBV HAP contracts for PHA-owned/managed PBV units to have rent redeterminations effective March 1st of every year, rather than on the annual anniversary of the HAP contract. By aligning the rent redeterminations to occur on the same annual date, HACSC anticipates reduced administrative burden and associated staffing costs.</p>
<p>This MTW activity serves the following statutory objectives:</p> <p>Cost effectiveness.</p>
<p>Cost Implications</p> <p>Decreased costs.</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions and currently assisted households</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Only residents of PHA-owned or managed PBV units.</p>
<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>Applies only to PBV units owned or controlled by the PHA.</p>

<p>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</p> <p>The activity is anticipated to result in modest staff savings, and no change in the agency's per family contributions.</p>
<p>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</p> <p>No impact is anticipated.</p>
<p>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</p> <p>This waiver is anticipated to meet the MTW statutory goal of cost effectiveness.</p>
<p>Impact on the agency's ability to meet the MTW statutory requirements</p> <p>This waiver is anticipated to enhance the agency's ability to meet the MTW statutory goal of cost effectiveness.</p>
<p>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</p> <p>No impact is anticipated.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact).</p> <p>No impact is anticipated.</p>
<p>Implementation timeline.</p> <p>7/1/2026 or upon HUD approval.</p>
<p>Description of a hardship policy, if needed.</p> <p>The agency does not anticipate a need for a hardship policy for this proposed waiver.</p>

E.1 Agency-Specific Waiver

Waiver Title: Impose Limit on PBV to HCV Conversions

Regulations to Waive: 24 CFR 983.261(b) Family Right to Move. *Continued Assistance.* If the family has elected to terminate the lease in accordance with 24 CFR 983.261(a), the PHA must offer the family the opportunity for continued tenant-based rental assistance. The PHA must specify in the Administrative Plan whether it will offer families assistance under the voucher program or other comparable tenant-based rental assistance. If voucher assistance is offered to the family and the search term expires, the PHA must issue the voucher to the next eligible family.

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

This MTW activity limits the number of PBV to HCV conversions to a subset of the number of HCVs it plans to issue each year. Due to the significant demand for affordable rental housing in Santa Cruz County and because HACSC continues to assist persons off a closed Section 8 waiting list that many years old, this will allow the agency to exhaust its waiting list sooner. Agency management will determine the percentage of HCV issuances to allocate to PBV transfers, based on the size of the waiting list and volume of vouchers planned for issuance. Agency staff plan to keep PBV transfers limited to between 25% to 50% of total voucher issuances. Exceptions to this waiver activity include VAWA and reasonable accommodations. At the sole discretion of the Executive Director, hardship exceptions may also be made for households for whom their current location of housing prevents access to gainful employment, causes financial hardship, limits access to medical care or other good cause. Households requesting to move when an HCV is not available will be placed on the PBV Transfer Waiting List.

This MTW activity serves the following statutory objectives:

Cost effectiveness.

Cost Implications

Neutral (no cost implications)

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies to all family types.

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to all properties with project-based vouchers

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does this MTW activity require a Hardship Policy:

Yes

This document is attached.

Does the MTW activity require an impact analysis?

Yes

This document is attached

Does the impact analysis apply to more than this MTW activity?

No

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered.

Pending public hearing March 2026.

Impact Analysis
For Waiver Type: Agency Specific
Waiver Title: Impose Limit on PBV to HCV Conversions
Regulations to Waive: 24 CFR 983.261(b) Family Right to Move. <i>Continued Assistance.</i> If the family has elected to terminate the lease in accordance with 24 CFR 983.261(a), the PHA must offer the family the opportunity for continued tenant-based rental assistance. The PHA must specify in the Administrative Plan whether it will offer families assistance under the voucher program or other comparable tenant-based rental assistance. If voucher assistance is offered to the family and the search term expires, the PHA must issue the voucher to the next eligible family.
Describe the MTW activity (including what specifically the agency is proposing to waive), the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative. This MTW activity limits the number of PBV to HCV conversions to a subset of the number of HCVs it plans to issue each year. Due to the significant demand for affordable rental housing in Santa Cruz County and because HACSC continues to assist persons off a closed Section 8 waiting list that many years old, this will allow the agency to exhaust its waiting list sooner. Agency management will determine the percentage of HCV issuances to allocate to PBV transfers, based on the size of the waiting list and volume of vouchers planned for issuance. Agency staff plan to keep PBV transfers limited to between 25% to 50% of total voucher issuances. Exceptions to this waiver activity include VAWA and reasonable accommodations . At the sole discretion of the Executive Director, hardship exceptions may also be made for households for whom their current location of housing prevents access to gainful employment, causes financial hardship, limits access to medical care or other good cause. Households requesting to move when an HCV is not available will be placed on the PBV Transfer Waiting List.
This MTW activity serves the following statutory objectives: Cost effectiveness.
Cost Implications Neutral (no cost implications)
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households? The MTW activity applies only to a subset or subsets of assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households? New admissions and currently assisted households
Does the MTW activity apply to all family types or only to selected family types? The MTW activity applies to all family types.
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers? The MTW activity applies to all properties with project-based vouchers
Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions). The activity is anticipated to reduce expenses.
Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.) No impact is anticipated.

<p>Impact on the agency’s waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</p> <p>It’s anticipated that this activity will result in longer waits for families on the PBV Transfer Waiting List but will be offset by shorter waiting time for families on the HCV Waiting List.</p>
<p>Impact on the agency’s termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency’s current occupancy level in public housing and utilization rate in the HCV program</p> <p>No impact is anticipated.</p>
<p>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</p> <p>This waiver is anticipated to meet the MTW statutory goal of cost effectiveness.</p>
<p>Impact on the agency’s ability to meet the MTW statutory requirements</p> <p>This waiver is anticipated to enhance the agency’s ability to meet the MTW statutory goal of cost effectiveness.</p>
<p>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</p> <p>No impact is anticipated.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact).</p> <p>No impact is anticipated.</p>
<p>Implementation timeline.</p> <p>7/1/2026 or upon HUD approval.</p>
<p>Hardship Policy if Required</p> <p>Hardship Situations</p> <p>Hardship situations to be considered include, but are not limited to, the circumstances listed. Exceptions will be made on a case-by-case basis.</p> <p>The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance;</p> <p>The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items; or</p> <p>Such other situations and factors determined by the agency to be appropriate.</p> <p>Process for Agency Review and Determination</p> <p>Households may request a hardship if, when they requested an HCV to move from a PBV unit, they were informed that an HCV is not available and the agency instead offered to place them on the PBV Transfer List.</p> <p>When a resident requests a hardship exemption from this MTW activity the agency will take the following actions:</p> <p>Determine whether a hardship exists within a reasonable time after the family request, typically within 30 days.</p> <p>If the request does not meet the hardship standards, and is denied, HACSC will place the tenant on the PBV Transfer List.</p> <p>If the request does meet the hardship standards, the agency will provide an exemption from the MTW activity by issuing an HCV for an approved hardship.</p> <p>Tenant Notification of Hardship Provisions</p> <p>HACSC will notify residents of the hardship policy at intake, will review its hardship policy with residents at recertification, and will consider if a resident qualifies for a hardship exemption when assistance is to be terminated due to an MTW activity.</p> <p>Grievance Procedure</p>

If an initial request for hardship is not approved, the tenant may request a second level review by notifying the agency in writing that they would like to appeal the denial. Appeals will be reviewed by and subject to the approval of the agency Executive Director.

Reasonable Accommodations

The agency will follow its existing Reasonable Accommodations process for any persons with handicaps requesting a reasonable accommodation.

Record Keeping

The agency has established record keeping policies for hardship requests and determinations.

Hardship Policy
For Waiver Type: Agency Specific Waiver
Waiver Title: Impose Limit on PBV to HCV Conversions
<p>Description of Activity</p> <p>This MTW activity limits the number of PBV to HCV conversions to a subset of the number of HCVs it plans to issue each year. Due to the significant demand for affordable rental housing in Santa Cruz County and because HACSC continues to assist persons off a closed Section 8 waiting list that many years old, this will allow the agency to exhaust its waiting list sooner. Agency management will determine the percentage of HCV issuances to allocate to PBV transfers, based on the size of the waiting list and volume of vouchers planned for issuance. Agency staff plan to keep PBV transfers limited to between 25% to 50% of total voucher issuances. Exceptions to this waiver activity include VAWA and reasonable accommodations. At the sole discretion of the Executive Director, hardship exceptions may also be made for households for whom their current location of housing prevents access to gainful employment, causes financial hardship, limits access to medical care or other good cause. Households requesting to move when an HCV is not available will be placed on the PBV Transfer Waiting List.</p>
<p>Hardship Situations</p> <p>Hardship situations to be considered include, but are not limited to, the circumstances listed. Exceptions will be made on a case-by-case basis.</p> <p>The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance;</p> <p>The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items; or</p> <p>Such other situations and factors determined by the agency to be appropriate.</p>
<p>Process for Agency Review and Determination</p> <p>Households may request a hardship if, when they requested an HCV to move from a PBV unit, they were informed that an HCV is not available and the agency instead offered to place them on the PBV Transfer List.</p> <p>When a resident requests a hardship exemption from this MTW activity the agency will take the following actions:</p> <ul style="list-style-type: none"> Determine whether a hardship exists within a reasonable time after the family request, typically within 30 days. <p>If the request does not meet the hardship standards, and is denied, HACSC will place the tenant on the PBV Transfer List.</p> <p>If the request does meet the hardship standards, the agency will provide an exemption from the MTW activity by issuing an HCV for an approved hardship.</p>
<p>Tenant Notification of Hardship Provisions</p> <p>HACSC will notify residents of the hardship policy at intake, will review its hardship policy with residents at recertification, and will consider if a resident qualifies for a hardship exemption when assistance is to be terminated due to an MTW activity.</p>
<p>Grievance Procedure</p> <p>If an initial request for hardship is not approved, the tenant may request a second level review by notifying the agency in writing that they would like to appeal the denial. Appeals will be reviewed by and subject to the approval of the agency Executive Director.</p>
<p>Reasonable Accommodations</p> <p>The agency will follow its existing Reasonable Accommodations process for any persons with handicaps requesting a reasonable accommodation.</p>

Record Keeping

The agency has established record keeping policies for hardship requests and determinations.

E.1 Agency-Specific Waiver

Waiver Title: Direct Referral Program

Regulations to Waive:

24 CFR 982.207(b)(3) **Preference for person with disabilities.** The PHA may adopt a preference for admission of families that include a person with disabilities. However, the PHA may not adopt a preference for admission of persons with a specific disability.

24 CFR 983.251(d)(1) **Preference for services offered.** The prohibition on granting preferences to persons with a specific disability at 24 CFR 982.207(b)(3) continues to apply.

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative

When PBV properties with Permanent Supportive Housing (PSH) units are developed, State funding is often included in the capital stack. State funding, including programs such as CA Housing and Community Development (HCD)'s No Place Like Home (NPLH), have narrower eligibility requirements than the HCV/PBV programs. In order to ensure that such PBV units developed in partnership with the State, utilizing funds that are for provision of supportive services to targeted special needs populations, can be prioritized for the eligible population, HACSC proposes to allow the Continuum of Care (CoC) to provide direct referrals for PSH PBV units from the Coordinated Entry System, with the understanding that they will refer households in accordance with the requirements of other applicable funding sources, which may target specific populations i.e. No Place Like Home (NPLH) which requires a Serious Mental Illness (SMI) diagnosis. Implementation of this waiver is anticipated to increase housing choice by stimulating housing production, and by increasing the number of units for certain special needs populations who may not be best served through the traditional waiting list process.

This MTW activity serves the following statutory objectives:

Housing Choice

Cost Implications

Neutral

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

Only special needs populations (SNPs) eligible for a special needs program such as No Place Like Home (NPLH) in which the funding for supportive services at a PBV unit is tied to eligibility for the special needs program.

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

Applies only to PBV units developed with federal or state development funds targeting special populations including but not limited to veterans, seniors, people with specific disabilities, farmworkers, and those experiencing homelessness, through programs such as California HCD's Homekey, No Place Like Home (NPLH) and Housing & Disability Advocacy Program (HDAP).

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does this MTW activity require a Hardship Policy:

No

Does the MTW activity require an impact analysis?

Yes

This document is attached

Does the impact analysis apply to more than this MTW activity?

No

Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered.

Pending public hearing March 2026.

Impact Analysis
For Waiver Type: Agency Specific Waiver (ASW)
Waiver Title: Direct Referral Program
<p>Regulations to Waive:</p> <p>24 CFR 982.207(b)(3) Preference for person with disabilities. The PHA may adopt a preference for admission of families that include a person with disabilities. However, the PHA may not adopt a preference for admission of persons with a specific disability.</p> <p>24 CFR 983.251(d)(1) Preference for services offered. The prohibition on granting preferences to persons with a specific disability at 24 CFR 982.207(b)(3) continues to apply.</p>
<p>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative</p> <p>When PBV properties with Permanent Supportive Housing (PSH) units are developed, State funding is often included in the capital stack. State funding, including programs such as CA Housing and Community Development (HCD)'s No Place Like Home (NPLH), have narrower eligibility requirements than the HCV/PBV programs. In order to ensure that such PBV units developed in partnership with the State, utilizing funds that are for provision of supportive services to targeted special needs populations, can be prioritized for the eligible population, HACSC proposes to allow the Continuum of Care (CoC) to provide direct referrals for PSH PBV units from the Coordinated Entry System, with the understanding that they will refer households in accordance with the requirements of other applicable funding sources, which may target specific populations i.e. No Place Like Home (NPLH) which requires a Serious Mental Illness (SMI) diagnosis. Implementation of this waiver is anticipated to increase housing choice by stimulating housing production, and by increasing the number of units for certain special needs populations who may not be best served through the traditional waiting list process.</p>
<p>This MTW activity serves the following statutory objectives:</p> <p>Housing Choice</p>
<p>Cost Implications</p> <p>Neutral</p>
<p>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</p> <p>The MTW activity applies only to a subset or subsets of assisted households</p>
<p>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</p> <p>New admissions</p>
<p>Does the MTW activity apply to all family types or only to selected family types?</p> <p>The MTW activity applies only to selected family types</p>
<p>Please select the family types subject to this MTW activity.</p> <p>Other – another specifically defined target population or populations.</p>
<p>If Other Selected in Previous Question: Please describe this target population in the text box.</p> <p>Only special needs populations (SNPs) eligible for a special needs program such as No Place Like Home (NPLH) in which the funding for supportive services at a PBV unit is tied to eligibility for the special needs program.</p>

<p>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p> <p>The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers</p>
<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>Applies only to PBV units developed with federal or state development funds targeting special populations including but not limited to veterans, seniors, people with specific disabilities, farmworkers, and those experiencing homelessness, through programs such as California HCD's Homekey, No Place Like Home (NPLH) and Housing & Disability Advocacy Program (HDAP).</p>
<p>Impact on the agency's finances (e.g., how much will the activity cost, and any change in the agency's per family contributions).</p> <p>No impact is anticipated.</p>
<p>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency's waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency's termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency's current occupancy level in public housing and utilization rate in the HCV program</p> <p>No impact is anticipated.</p>
<p>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</p> <p>This waiver is anticipated to meet the MTW statutory goal of increased housing choice.</p>
<p>Impact on the agency's ability to meet the MTW statutory requirements</p> <p>This waiver is anticipated to enhance the agency's ability to meet the MTW statutory goal of increased housing choice.</p>
<p>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</p> <p>No impact is anticipated.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact).</p> <p>No disparate impact is anticipated. The proposed waiver may provide more PBV opportunities for vulnerable populations, and specific populations served under the targeted state programs and funding sources.</p>
<p>Implementation timeline.</p> <p>July 1, 2026 or upon HUD approval.</p>
<p>Description of a hardship policy, if needed.</p> <p>The agency does not anticipate a need for a hardship policy for this proposed waiver.</p>

E.1 Agency-Specific Waiver

Waiver Title: MTW Value Voucher

Regulations to Waive:

[982.1 \(a\) \(3\)](#) Subsidy in the HCV program is based on a local “payment standard” that reflects the cost to lease a unit in the local housing market. If the rent is less than the payment standard, the family generally pays 30 percent of adjusted monthly income for rent. If the rent is more than the payment standard, the family pays a larger share of the rent.

[982.505 How to calculate housing assistance payment](#)

Describe the MTW activity, the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.

HACSC proposes an "MTW value voucher" which will provide a lower cost subsidy than a conventional voucher. The value voucher may be targeted to specific populations, including but not limited to households currently receiving rental assistance who are at risk of losing that rental assistance as a result of funding constraints or program changes. Participants will seek units in privately assisted housing developments where the rental costs are lower than current HUD published FMRs but still not affordable to very-low and extremely low-income households. The proposed activity applies to LIHTC units or other income- or rent-restricted units with “affordable” rents that exceed the tenant rent share. For these units, the rent reasonableness determination process will consist of verification of the regulated rent amount, which will always be at or below the Payment Standard. The value voucher would make up the difference between the rent and tenant rent share.

This MTW activity serves the following statutory objectives:

Housing Choice
Cost Effectiveness

Cost Implications

Decreased costs.

Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?

The MTW activity applies only to a subset or subsets of assisted households

Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?

New admissions and currently assisted households

Does the MTW activity apply to all family types or only to selected family types?

The MTW activity applies only to selected family types

Please select the family types subject to this MTW activity.

Other – another specifically defined target population or populations.

If Other Selected in Previous Question: Please describe this target population in the text box.

All households eligible for the waiting list preference ‘Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes’ which is an existing preference included in the HACSC Section 8 Administrative Plan.

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.

The proposed activity applies to LIHTC units or other income- or rent-restricted units with “affordable” rents that exceed

the family's tenant rent share.

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?

No

Does this MTW activity require a Hardship Policy:

No

Does the MTW activity require an impact analysis?

Yes

This document is attached

Does the impact analysis apply to more than this MTW activity?

No

Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.

N/A

Comments received at the public hearing for the Agency-Specific waiver and the agency's description of how the comments were considered.

Pending public hearing March 2026

Impact Analysis
For Waiver Type: Agency Specific Waiver (ASW)
Waiver Title: MTW Value Voucher
Regulations to Waive: 982.1 (a) (3) Subsidy in the HCV program is based on a local “payment standard” that reflects the cost to lease a unit in the local housing market. If the rent is less than the payment standard, the family generally pays 30 percent of adjusted monthly income for rent. If the rent is more than the payment standard, the family pays a larger share of the rent. 982.505 How to calculate housing assistance payment
Describe the MTW activity, the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative. HACSC proposes an "MTW value voucher" which will provide a lower cost subsidy than a conventional voucher. The value voucher may be targeted to specific populations, including but not limited to households currently receiving rental assistance who are at risk of losing that rental assistance as a result of funding constraints or program changes. Participants will seek units in privately assisted housing developments where the rental costs are lower than current HUD published FMRs but still not affordable to very-low and extremely low-income households. The proposed activity applies to LIHTC units or other income- or rent-restricted units with “affordable” rents that exceed the tenant rent share. For these units, the rent reasonableness determination process will consist of verification of the regulated rent amount, which will always be at or below the Payment Standard. The value voucher would make up the difference between the rent and tenant rent share.
This MTW activity serves the following statutory objectives: Housing Choice Cost Effectiveness
Cost Implications Decreased costs.
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households? The MTW activity applies only to a subset or subsets of assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households? New admissions and currently assisted households
Does the MTW activity apply to all family types or only to selected family types? The MTW activity applies only to selected family types
Please select the family types subject to this MTW activity. Other – another specifically defined target population or populations.
If Other Selected in Previous Question: Please describe this target population in the text box. All households eligible for the waiting list preference 'Imminent Risk of Losing Rental Assistance Due to Funding Constraints or Program Changes' which is an existing preference included in the HACSC Section 8 Administrative Plan.
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers? The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers

<p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity.</p> <p>The proposed activity applies to LIHTC units or other income- or rent-restricted units with “affordable” rents that exceed 30% of tenants’ income.</p>
<p>Impact on the agency’s finances (e.g., how much will the activity cost, and any change in the agency’s per family contributions).</p> <p>The activity is anticipated to reduce costs relative to a HAP payment for an HCV.</p>
<p>Impact on affordability of housing costs for affected families (e.g. any change in how much affected families will pay towards their housing costs.)</p> <p>The activity is intended to hold rents for participants at 30% of their income. Absent this activity, households transferring into the proposed unit types would experience rent burdens above 30% of their income.</p>
<p>Impact on the agency’s waitlist(s) (e.g., any change in the amount of time families are on the waitlist)</p> <p>The activity is anticipated to reduce the amount of time families are on the waitlist by providing greater housing choices and viable pathways for these households who are eligible for this program - and at the top of the waitlist - to find and secure permanent housing. The faster these households can be assisted into eligible units, the faster the remaining households on the WL can be assisted. Absent this activity, the time on the waitlist is anticipated to be lengthy.</p>
<p>Impact on the agency’s termination rate of families (e.g., any change in the rate at which families non-voluntarily lose assistance from the agency)</p> <p>No impact is anticipated.</p>
<p>Impact on the agency’s current occupancy level in public housing and utilization rate in the HCV program</p> <p>No impact is anticipated.</p>
<p>Impact on meeting the MTW statutory goals of cost effectiveness, self-sufficiency, and/or housing choice</p> <p>This activity fulfills the MTW statutory goals of cost effectiveness and housing choice.</p>
<p>Impact on the agency’s ability to meet the MTW statutory requirements</p> <p>This activity enhances the agency’s ability to meet MTW statutory requirements by providing enhanced housing choice and increasing cost effectiveness.</p>
<p>Impact on the rate of hardship requests and the number granted and denied as a result of this activity.</p> <p>No impact is anticipated.</p>
<p>Across the other factors above, the impact on protected classes (and any associated disparate impact).</p> <p>No impact is anticipated.</p>
<p>Implementation timeline.</p> <p>7/1/2026 or upon HUD approval.</p>
<p>Description of a hardship policy, if needed.</p> <p>The agency does not anticipate a need for a hardship policy for this proposed waiver.</p>

AGENDA ITEM SUMMARY

MEETING DATE: February 25, 2026

ITEM NUMBER: 8

FROM: Exec. Director; Deputy Exec. Director

SUBJECT: Director's Report – February 25, 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 February 25, 2026 meeting. My phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

Chanticleer – Staff have worked with counsel to draft the terms of the Memorandum of Understanding (MOU) with MidPen Housing to establish the framework for a Joint Development Agreement (JDA) to enter a partnership to co-develop 2021 Chanticleer. Staff expect to present the JDA to the Board for approval at the April or May meeting. Staff continue to work on the NEPA for 2031 17th Avenue which is expected to be completed in late March or early April. Staff are preparing to notify the surrounding neighbors of a community meeting to provide information on the project and to address any community questions. The community meeting is expected to be held in March. The entitlement application is expected to be submitted in the Summer 2026. The Notice of Anticipated RAD Rents (NARR) was submitted to HUD to initiate the review process to use 61 units of Faircloth Authority through the Restore Rebuild Initiative to rental assistance through RAD.

Faircloth Authority – Last month we informed the Board of our plans to pursue the use of Faircloth Authority, through the Restore Rebuild Initiative, to provide rental subsidy at 2021 Chanticleer. Faircloth Authority was established 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 ongoing operating funds through the Rental Assistance Demonstration program.

There are informal and conflicting reports that HUD may be planning to shut-down the application process for housing authorities to request use of their Faircloth Authority. The risk of losing access to this resource has created a sense of urgency among staff to identify viable projects to safeguard the remaining 174 units of Faircloth Authority allocated to our agency. The NARR application process with HUD is the preliminary step for a housing authority to get a project in the queue and it is not a full commitment by the housing

authority to acquire or develop the property. Staff are currently evaluating several potential acquisition opportunities which include an existing affordable housing site, co-development partnerships and other land in which a NARR may be submitted as a placeholder for Restore Rebuild and RAD units. Staff will continue to monitor this issue and provide updates to the Board

Emergency Housing Vouchers (EHVs) – 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 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, as well as steps the Agency is taking in an effort to connect all EHV families with other affordable housing programs.

The table below provides an update of the number of families in the EHV program, including how many are leased up, how many are searching for a unit with their voucher, and how many have exited the program by reason for program exit.

EHV Participation Status	10/31/25	12/31/25	1/30/25
Baseline EHV Participants as of 10/1/25	272	272	272
Currently Housed in EHV Program			
In Jurisdiction	256	247	241
Billable Port – Out of Jurisdiction	3	3	4
Total Housed in EHV Program	259	250	245
Out of Unit Searching with EHV			
In Jurisdiction	6	6	8
Billable Port – Out of Jurisdiction	2	2	3
Total Searching in EHV Program	8	8	11
Program Exits			
Expired Voucher	3	3	3
Deceased	1	3	3
Program Violation	1	2	2
Transfer to PBV	0	6	8
Total Program Exits	5	14	16
Current EHV Program Participants	267	258	256

Two Project Based Voucher (PBV) properties, which each represent housing opportunities for EHV households, will be ready for occupancy in the summer of 2026. Staff are currently beginning the process of outreach to EHV families about these PBV opportunities.

Legislative and Funding Update – Congress has now approved the FY 2026 Transportation, Housing and Urban Development (THUD) appropriations bill. The final legislation provides a slight overall increase in HUD funding compared to FY 2025. While Housing Choice Voucher (HCV) funding is higher, Mainstream vouchers have been consolidated into the HCV account, and we are still evaluating the net impact of this change on our program. As required, HUD has 60 days from enactment of the budget to notify Public Housing Authorities of our individual agency funding levels. Industry groups are currently offering mixed projections regarding Housing Assistance Payment (HAP) proration. NAHRO has issued the most conservative estimate, projecting HAP funding at approximately 95% proration. Meanwhile, HUD staff have provided updated planning spreadsheets (the “Two-Year Tool”) to reflect an *estimated* 99.2% HAP proration. With a 99.2% proration of funding, it is likely that we could provide continued rental assistance to EHV families while avoiding a financial shortfall in the Housing Choice Voucher (HCV) program in 2026. We will continue to monitor federal guidance and industry analysis as additional details become available and will assess the implications for our agency once HUD releases final funding allocations. Staff will keep the Board updated as information becomes available.