

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE ANNUAL BOARD MEETING
August 26, 2026 at 11:00 a.m.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
2160 41st Avenue, Capitola, CA 95010

1. Roll Call

HOUSING AUTHORITY BOARD OF COMMISSIONERS:

Chairperson Providence Martinez Alaniz	4 year term expires, February 10, 2027
Vice Chairperson Annette Melendrez	4 year term expires, September 29, 2027
Commissioner Carol Berg	4 year term expires, May 21, 2029
Commissioner Ligaya Eligio	2 year term expires, October 18, 2026
Commissioner Silvia Morales	4 year term expires, September 1, 2027
Commissioner Andy Schifffrin	4 year term expires, March 17, 2027
Commissioner Richard Schmale	2 year term expires, May 12, 2027

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

A. Minutes of the Regular Meeting held June 24, 2026

Motion to Approve

B. Housing Authority Project Based Voucher Program – FY 2026 Quarter 4 Report

Receive Report

C. 2026 Quarter 4 Financial Report

Receive Report

D. Housing Authority Annual Agency Goals – FY 2026 Quarter 4 Report

Receive Report

E. Agency Share of Health and Dental Insurance Premiums for CY2027

Motion to Approve Staff Recommendation for Changes to the Agency's Health, Dental, and Vision Insurance Contribution Levels Effective 1/1/2027

F. Authorization to Submit a Mixed Finance Development Proposal and participate in the Rental Assistance Demonstration Program to support the development of 2021 Chanticleer Avenue

Motion to Adopt Resolution 2026-03 Approving the submission of a Mixed-Finance Development Proposal to the U.S. Department of Housing and Urban Development (HUD) for 2021 Chanticleer Avenue and authorizing participation in HUD's Rental Assistance Demonstration Program.

G. Authorization to Submit a Mixed Finance Development Proposal and participate in the Rental Assistance Demonstration Program to support the development of 2727 Mattison Lane

Motion to Adopt Resolution 2026-04 Approving the submission of a Mixed-Finance Development Proposal to the U.S. Department of Housing and Urban Development (HUD) for 2727 Mattison Lane and authorizing participation in HUD's Rental Assistance Demonstration Program.

H. Authorization to submit a Mixed-Finance Development Proposal and Participate in the Rental Assistance Demonstration Program for 750 Bay Avenue

Motion to Adopt Resolution 2026-05 approving the submission of a Mixed-Finance Development Proposal to the U.S. Department of Housing and Urban Development (HUD) for Bay Avenue Senior Apartments and authorizing participation in HUD's Rental Assistance Demonstration Program.

I. 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. Election of Officers

Receive Report

7. Written Correspondence

8. Director's Report

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

10. Closed Session

A. Executive Director Evaluation and Contract Renewal

11. Report on Closed Session

12. Adjournment

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

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

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

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING HELD JUNE 24, 2026, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 1 Roll Call

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

Members Absent

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

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 Schifffrin moved for the Approval of the Consent Agenda; Commissioner Morales seconded the motion and it was passed by the following vote:

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

Agenda Item 3A. Approved Minutes of the Regular Meeting of May 27, 2026

Agenda Item 3B. Adopted Updated Personnel Policies

AGENDA ITEM NO. 4 Oral Communications
None.

AGENDA ITEM NO. 5 Unfinished Business
None.

AGENDA ITEM NO. 6A Agency Budget for FY 2026-2027

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING HELD JUNE 24, 2026, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

Secretary Panetta acknowledged the staff members who assisted with preparing the Agency's Fiscal Year 2026–2027 Budget while the Agency has been operating without a Finance Director. Deputy Executive Director Graham has been overseeing the Finance Department and working closely with consultants, former Finance Director Aaron Pomeroy, and Finance Department staff. Secretary Panetta expressed appreciation to the Finance Department staff for their hard work in preparing the budget and to Deputy Executive Director Graham for his leadership in overseeing staff during this time.

Deputy Executive Director Graham informed the Board that he is pleased to present the staff report for the Agency Budget for Fiscal Year 2026-2027. Deputy Executive Director Graham also thanked BDO Consulting Firm, John Fleisher (the Agency's Controller) and former Finance Director Aaron Pomeroy for their assistance with the preparation of this budget. Deputy Executive Director Graham informed the Board that the Agency remains in a strong financial position and the steps taken in 2025 and early 2026 in relation to voucher utilization and the Project Based Vouchers (PBV) program has assured that the Agency has avoided shortfall in 2026 and the Agency is working to avoid a shortfall through 2027 as well. Deputy Executive Director Graham cautioned, however, that there remains some at the federal level that could impact future funding.

Deputy Executive Director Graham informed the Board that none of the Agency's five program groups, Section 8, Federal Housing, Federal Grants, Local Programs, and Business Activities are anticipated to experience a budget deficit in the coming fiscal year. He noted that this is a positive indication that the Agency's revenue sources are appropriately aligned with the financial needs of each program. Deputy Executive Director Graham explained that surplus funding is generally restricted for the benefit of the program from which it is generated and cannot be used to offset deficits in other program areas, with the exception of funding flexibility permitted under Moving to Work (MTW) fungibility.

Deputy Executive Director Graham informed the Board that the Business Activities, Federal Housing, and Section 8 program groups are projected to generate the majority of the Agency-wide budgeted surplus of \$3,386,633. He explained that the \$2,082,782 projected surplus in the Business Activities program group is primarily attributable to interest earned on reserve funds and loans to New Horizons for the Natural Bridges and Casa Pajaro projects. He further noted that commercial rental income generated from Authority owned properties on Mission Street and 41st Avenue provides a fully unrestricted source of revenue.

Deputy Executive Director Graham informed the Board that the Section 8 program group includes the Housing Choice Voucher (HCV), Emergency Housing Voucher (EHV), Mainstream Voucher, and Moderate Rehabilitation programs. Deputy Executive Director Graham reminded the Board that HUD has announced that the cost of the EHV program has exceeded national funding projections and that available funding is insufficient to provide the ten years of funding originally anticipated. HUD funding for the

EHV program is expected to be depleted by the end of 2026, which will impact leasing activity and funding during the current fiscal year and FY 2027-28. To create voucher capacity to transition EHV households into the HCV program, the Agency suspended selection of applicants from the HCV waiting list in March 2025. Deputy Executive Director Graham informed the Board that, based on the Agency's current EHV program size, anticipated Project-Based Voucher (PBV) opportunities, and expected household attrition, staff anticipate approximately 175 EHV households will be absorbed into the HCV program prior to the end of December 2026.

Deputy Executive Director Graham informed the Board that the Agency's proposed budget includes a 3.5% Cost of Living Adjustment (COLA) for staff effective at the beginning of the fiscal year. The proposed COLA aligns with inflationary trends over the last year in the SF Bay Area based on the Consumer Price Index (CPI) conducted by the U.S. Bureau of Labor Statistics. Deputy Executive Director Graham noted that adjusting salaries in accordance with CPI trends will help minimize the need for significant salary adjustments during the next salary comparability study. A discussion followed.

The Board of Commissioners thanked staff for the presentation and for the significant work involved in preparing the Agency's proposed budget. A discussion followed regarding the proposed budget. Commissioner Schiffrin moved to Approve Resolution 2026-02: Adopting the Fiscal Year 2026-2027 Agency Budget for the Housing Authority of the County of Santa Cruz; Commissioner Berg seconded the motion and it was passed by the following vote:

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

AGENDA ITEM NO. 6B Establish Housing Authority Agency Goals for 2026 – 2027 FY

Secretary Panetta reminded the Board that the Housing Authority Board of Commissioners establishes annual performance goals each year. Secretary Panetta noted that the goals for the current year build upon the progress made on the previous year's objectives and stated that the final report on the FY 2025/2026 Agency goals will be presented to the Board at the August meeting.

Secretary Panetta presented staff's proposed changes to the Housing Authority Agency Goals for the upcoming FY 2026/2027. Secretary Panetta advised the Board that the draft goals are now before the Board for consideration. A discussion followed. The Board of Commissioners requested that staff add an additional goal to develop a report to consider the potential for integration of artificial intelligence into Agency operations and activities, including potential impacts on current staff. Staff will take the Boards

direction.

Commissioner Schiffrin moved to Adopt the Established Housing Authority Agency Goals for 2026 – 2027 FY as amended; Commissioner Melendrez seconded the motion and it was passed by the following vote:

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

AGENDA ITEM NO. 7 Written Correspondence
None.

AGENDA ITEM NO. 8 Report of Executive Director

Deputy Executive Director Graham updated the Board of Commissioners on the 2021 Chanticleer development. Among the updates provided to the Board, Deputy Executive Director Graham informed the Board that on July 6, New Horizons will provide notice to neighbors of an in-person community meeting scheduled for July 21, at 6pm, located at community room at Bienestar Plaza Apartments, a MidPen project that is approximately ½ mile from 2021 Chanticleer. The Board of Commissioners emphasized the importance of offering a hybrid or remote meeting option to provide greater accessibility and allow more community members to participate. The Board of Commissioners asked staff to report back on the community meeting. Staff will take the Board’s direction and report back to the Board.

Deputy Executive Director Graham provided the Board of Commissioners with an update on the HUD Restore Rebuild Initiative. He reported that staff continues to work internally and in coordination with the Agency’s consultants to secure RAD vouchers for the two projects currently identified as feasible: the 2021 Chanticleer development and the proposed acquisition of Bay Avenue Senior Apartments. Deputy Executive Director Graham advised the Board that, at this time, staff does not see a viable path forward for the Good Shepherd project under the initiative. Staff will provide the Board with a further update at its next meeting.

Deputy Executive Director Graham informed the Board that staff plans to initiate a search for a new Agency headquarters. He reported that staff is seeking a mid-county location that is accessible to clients and employees, can accommodate all staff within a single office space, and includes a welcoming lobby with adjacent private interview rooms. The desired facility would also provide flexible meeting space suitable for all-staff meetings, Board of Commissioners meetings, and other community events. Deputy

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Executive Director Graham advised the Board that staff will provide regular updates on the progress of the search and will involve the Board in key decisions regarding the potential site location, office programming, and relocation process.

Executive Director Panetta informed the Board of Commissioners that the Housing Authority recently recognized two local youth artists through its annual *What Home Means to Me* Poster Contest, a national program sponsored by the National Association of Housing and Redevelopment Officials (NAHRO). The contest provides an opportunity for youth receiving housing assistance to express, through art, what home means to them. First Place was awarded to Ali'ze for *Home is Love*, and Second Place was awarded to Romeo for *Home is Happiness*. Both students received framed copies of their artwork and gift card prizes. Executive Director Panetta further informed the Board that Ali'ze's artwork will advance to the next level of the national competition, where submissions from across the country will be recognized and judged.

Executive Director Panetta informed the Board that the presentation on the Stakeholder Survey and Equity Report has been rescheduled for the August Board meeting due to the length of the June meeting.

Executive Director Panetta gave the Board of Commissioners a legislative and funding update.

Executive Director Panetta informed the Board of Commissioners that the Agency has historically provided income eligibility determinations on behalf of several local jurisdictions for their inclusionary housing programs. She explained that, given the Agency's current workload and the need to prioritize staff capacity toward its core programs and responsibilities, continuing to provide these services on behalf of other jurisdictions is no longer sustainable. Staff has begun discussions with the affected jurisdictions regarding a transition of this work, including exploring whether the jurisdictions may assume the function directly or engage a third-party provider. The Agency intends to work collaboratively with each jurisdiction to allow adequate time for a thoughtful and orderly transition and to minimize disruption for applicants and participating jurisdictions.

AGENDA ITEM NO. 9 Reports from Board Members
None.

AGENDA ITEM NO. 10 Closed Session
None.

AGENDA ITEM NO. 11 Report on Closed Session
None.

AGENDA ITEM NO. 12 Adjournment

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING HELD JUNE 24, 2026, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

The Board of Commissioners meeting was adjourned at 12:09 p.m.

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

Chairperson of the Authority

ATTEST: _____

Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: August 26, 2026

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: Housing Authority Project Based Voucher Program – FY 2026 Quarter 4 Report

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

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

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

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

of initial lease-up. The report on projects under HAP includes the HAP Contract effective date and expiration date.

RECOMMENDATION: Receive Report

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

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

Project Number	Project Name	Address	Original Conditional Award Date	Total Number of Units	Number of PBVs	Deadline to Execute AHAP	AHAP Deadline Extension Request #1	AHAP Deadline Extension Request #2	Environmental Review Status	Subsidy Layering Review (SLR) Status	Building Permit Status
1	Baler Place	340 Bridgevale Dr, Hollister, CA 92117	2/7/2024	54	25	2/6/2026	Approved through 08/06/2026	N/A	Clearance received – 12/29/2025	SLR certification received 05/26/2026	Anticipated August 2026
2	Capitola Manor	1098 38th Ave, Capitola, CA 95010	2/9/2024	52	25	2/8/2026	Approved through 08/08/2026	Approved through 02/08/2027	Clearance received - 09/03/2024	Under review. Submitted for approval 07/07/2026.	Submitted for approval Dec. 2025
3	150 Felker Street	150 Felker St, Santa Cruz, CA 95060	8/14/2024	44	24	8/14/2026	N/A	N/A	Clearance received - 05/06/2025	Under review. Submitted for approval 07/13/2026.	Pending receipt
4	Watsonville Metro	475 Rodriguez St, Watsonville, CA 95076	8/14/2024	61	20	8/14/2026	N/A	N/A	Clearance received – 05/13/2026	Pending submission	Pending receipt
TOTAL				211	94						

2. Projects Under an AHAP

Project Number	Project Name	Address	Total Number of Units	Number of PBVs	AHAP Effective Date	Expected Completion Date	Construction Completion Requirement	Construction Status
1	Park Haven Plaza	2840 Park Avenue, Soquel CA 95073	36	35	10/18/2022	09/30/2027	06/01/2027	Active
2	Veterans Village	8705 Hwy 9, Ben Lomond, CA 95005 CA	20	15	12/21/2022	12/31/2027	12/31/2027	Active
4	Harvey West Studios	119 Coral Street, Santa Cruz, CA 95060	121	60 (and 20 Shelter Plus Care)	05/15/2024	09/01/2026	11/16/2026	Active
5	Downtown Library	119 Lincoln St, Santa Cruz, CA 95060	124	31	04/23/2025	02/17/2028	03/03/2029	Active
6	Westside Village	850 Almar Ave, Santa Cruz, CA 95060	38	25	06/17/2025	11/01/2026	06/16/2028	Active
7	4575 Scotts Valley Drive	4575 Scotts Valley Drive, Scotts Valley, CA 95066	100	40	07/24/2025	08/01/2027	07/23/2028	Active
8	831 Water Street	831 Water Street, Santa Cruz CA 95060	140	64	10/30/2025	06/15/2028	10/29/2028	Active
9	Beverly Gardens	4408 & 4444 Scotts Valley Drive, Scotts Valley, CA 95066	25	24	12/15/2025	05/01/2027	12/14/2028	Active
10	136 River Street	136 River Street, Santa Cruz, CA 95060	51	20	02/27/2026	02/01/2028	02/26/2029	Active
11	Banana Belt	917, 919, 923 Water Street, Santa Cruz, CA 95062	82	25	04/09/2026	04/01/2028	04/08/2029	Active
12	41 st and Soquel	2755 & 1831 41st Ave, Soquel, CA 95073	289	91	05/12/2026	02/01/2029	05/11/2029	Active

13	Pinnacle Pass	75 Mount Hermon Rd, Scotts Valley, CA 95066	40	25	05/14/2026	11/01/2027	05/13/2029	Active
14	525 Water Street	525 Water Street, Santa Cruz, CA 95060	90	33	05/22/2029	07/01/2028	05/21/2029	Active
TOTAL			1,156	488 (and 20 Shelter Plus Care)				

3. Projects Under a HAP Contract

Project Number	Project Name	Address	Total Number of Units	Number of PBVs	HAP Contract Effective Date	HAP Contract Expiration Date
1	El Centro	1110 Pacific Ave, Santa Cruz, CA 95060	45	44	11/1/2014	10/31/2029
2	Emerald Hill Apartments	101 & 102 Civic Center Drive, Scotts Valley, CA 95066	46	7	12/1/2014	11/30/2029
3	San Andreas	295 San Andreas Road, Watsonville, CA 95076	43	5	1/1/2015	12/31/2029
4	Resetar Residential Hotel	15 W. Lake Ave, Watsonville, CA 95076	78	52	6/23/2015	5/31/2030
5	St. Stephens Senior Housing	2510 Soquel Avenue, Santa Cruz, CA 95062	40	39	5/24/2017	4/30/2032
6	Pippin Orchards Apartments	56 Atkinson Lane, Watsonville, CA 95076	41	31	11/15/2018	10/31/2033
7	Water Street Apartments	708 Water St, Santa Cruz, CA 95060	41	33	9/19/2019	8/31/2034
8	Sunrise Senior Apartments	580 Westside Blvd, Hollister, CA 95023	49	48	12/11/2019	12/11/2034
9	Pajaro Valley Shelter Services	110 Kearney Street, 112 Kearney Street, 561 Rodriguez Street, 62 Arista Lane, Watsonville, CA 95076	4	4	6/17/2020	5/31/2035
10	La Playa	216 Leibrandt Ave, Santa Cruz, CA 95060	8	2	5/1/2018	4/30/2038

11	Sycamore Commons	125 Sycamore St, Santa Cruz, CA 95060	60	13	5/1/2018	4/30/2038
12	Woodland Senior Apartments	3050 Dover Dr, Santa Cruz, CA 95065	68	27	3/16/2020	2/29/2040
13	Jardines Del Valle	76 Murphy's Crossing Rd, Watsonville, CA 95076	18	5	3/18/2020	2/29/2040
14	Villas Del Paraiso	340A Pariso Drive, Watsonville, CA 95076	51	15	3/18/2020	2/29/2040
15	Merrill Road Apartments	3201 Merrill Rd, Aptos, CA 95003	15	15	7/1/2023	6/30/2043
16	Bienestar Plaza	1520 - 1550 Capitola Rd, Santa Cruz, CA 95062	65	40	11/13/2023	10/31/2043
17	Tabasa Gardens	1482 Freedom Blvd, Watsonville, CA 95076	53	37	3/26/2024	2/29/2044
18	Cedar Street Family Apartments	538 Cedar Street, Santa Cruz CA 95060	65	8	4/22/2024	3/31/2044
19	LIPH PBVs	Various	234	222	5/1/2024	4/30/2044
20	Pacific Station South	818 Pacific Ave, Santa Cruz, CA 95060	70	47	11/13/2024	10/31/2044
21	Cienega Heights	1515, 1615, 1715 Brewington Ave, Watsonville, CA 95076	80	37	11/18/2024	10/31/2044
22	Sparrow Terrace	139 and 141 Miles Lane, Watsonville CA 95076	72	43	12/20/2024	11/30/2044
23	Natural Bridges Apartments	415 Natural Bridges Drive, Santa Cruz CA 95060	20	20	1/7/2025	12/31/2044
24	Tierra Alta	101 - 114 Tierra Alta Drive, Watsonville, CA 95076	36	33	2/1/2025	1/31/2045
25	Jessie Street	316 Jessie Street, Santa Cruz CA 95060	50	48	3/28/2025	2/28/2045
26	Bluffs at 44 th	4401 Capitola Rd, Capitola, CA 95010	36	25	11/24/2025	10/31/2045
27	Casa Pajaro	127 - 193 East Front St, Watsonville, CA 95076	34	32	02/01/2026	1/31/2046
28	Pacific Station North	902, 912, and 920 Pacific Avenue and 423 Front Street, Santa Cruz, CA 95060	128	51	07/23/2026	6/30/2046
TOTAL			1,550	983		

AGENDA ITEM SUMMARY

MEETING DATE: August 26, 2026

ITEM NUMBER: 3C

FROM: Deputy Executive Director

SUBJECT: FY 2026 Quarter 4 Financial Report

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

As of the fourth quarter of FY2026, the Agency reports an overall year-to-date surplus of \$4.72 million, compared to a budgeted surplus of \$892,262. This represents a stronger-than-budgeted Administrative Fee revenues and lower-than-anticipated operating expenditures across multiple-program groups. It is important to note, the figures presented in this 4th quarter report are preliminary as the fiscal year-end closing process for activities ending June 30th, 2026 is still ongoing. However, any variance between these preliminary figures and final results are expected to be immaterial.

Non-HAP expenses are ending the year modestly below budget, expenses for Employee Benefits and General Administration categories, each expected to end the year at 90% of budgeted amounts, are the expense categories contributing most to the total surplus for the year. Capital spending agency-wide is at 12% of budget; reflective of budgeted Capitol projects planned for later in the fiscal year which have not been completed by year end, including work on the wastewater system that serves Tierra Alta and Buena Vista farmworker housing projects. The surplus and deficit positions by program group are as follows:

Program Group	Surplus / (Deficit)	Explanation
Section 8 Programs	\$ 1,722,546	Aligned with budget, better than projected administrative fees are the primary driver of the year end surplus for this program group; federally funded rental assistance has been received and expensed on schedule.
Federal Housing Programs	\$ (6,415,591)	Reflects the \$7.4M Operating Transfer Out which occurred in Q1 2026. Transfer was made to Business Activities for funding of Board approved initiatives as described in the summary below.
Federal Grants	\$ -	FSS & Shelter Plus Care; cost-reimbursement grants where revenue = expenses each quarter. Budget utilization is at 90% for the fiscal year.
Local Programs	\$ 11,773	Locally funded programs (jurisdictional funds, incentives). Near break-even for the fiscal year typical for annual results as most activities in this category are reimbursement based.
Business Activities	\$ 8,953,655	Mission St. Warehouse, 41st Ave offices, and related business-type activities. Large surplus reflects \$7.4M Operating Transfer In from Federal Housing Programs recorded in Q1 for funding Land purchase and Development loans to New Horizons and contributions into the agency's Pension Trust account as described in the summary below.
Agency-Wide Surplus	\$ 4,272,381	Consolidated operating surplus across all programs for Q4 FY2026.

Section 8 performed close to budgeted levels. HAP revenues and expenditures are at 102% of the annual budget, and administrative fees outperformed budget at 110%. The resulting surplus reflects stable program performance and overall results proximate to the annual budget.

Federal Housing Programs ended the year reflecting a substantial deficit 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 program's total equity. Excluding the transfer, there would be a budget surplus of \$1.02m for this program group, however nearly all of that budget surplus resulted from only 12% of the Capital Expenses budget being expended during the year due to shifts in Capital Projects timelines, including delays in the work planned for the wastewater treatment system that serves both Tierra Alta and Buena Vista farmworker housing projects.

Business Activities ended the year with a budget surplus of \$8.95m due primarily to a large \$7.4 million surplus from a single Operating Transfer In recorded in Q1 to fund loans of \$2.9m for the purchase of Land at Chanticleer Ave., \$1.82m in GAP financing for the Natural Bridges development project, and a \$2.72m contribution to the Pension Trust. Excluding this transfer, Business Activities revenues and expenses performed close to budgeted levels.

RECOMMENDATION: Receive Report

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Budget Comparison - All Funds

Agency-Wide Summary

Fiscal Year to Date for the Period July 1, 2025 - June 30,2026 (4th Quarter)(PRELIMINARY)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	163,497,706	161,188,761	101%
Administrative Fees	12,928,435	12,027,475	107%
Grants / Contracts	737,886	955,428	77%
Rental Income	2,622,835	2,633,092	100%
Operating Transfers In	13,236,331	3,040,000	435%
Other Income	1,065,044	974,439	109%
Total Revenues:	194,088,237	180,819,195	107%
Expenses:			
Housing Assistance Pmts	163,497,706	161,188,761	101%
Salaries	6,635,650	6,705,666	99%
Employee Benefits	2,902,492	3,220,464	90%
Capital Purchases	128,445	1,051,900	12%
Maintenance	355,812	415,453	86%
General Administrative	2,642,357	2,947,522	90%
Tenant Services	417,063	697,167	60%
Operating Transfers Out	13,236,331	3,700,000	358%
Debt Service	0 -		0%
Total Expenses:	189,815,856	179,926,933	105%
Surplus (Deficit):	4,272,381	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 - June 30,2026 (4th Quarter)(PRELIMINARY)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	162,434,004	160,033,046	102%
Administrative Fees	10,551,530	9,580,137	110%
Grants / Contracts	- -		0%
Rental Income	- -		0%
Operating Transfers In	5,800,000	3,040,000	191%
Other Income	63,049	169,691	37%
Total Revenues:	178,848,583	172,822,874	103%
Expenses:			
Housing Assistance Pmts	162,434,004	160,033,046	102%
Salaries	4,750,735	4,861,602	98%
Employee Benefits	2,376,636	2,635,846	90%
Capital Purchases	- -		0%
Maintenance	- -		0%
General Administrative	1,750,662	2,017,186	87%
Tenant Services	14,000	85,000	16%
Operating Transfers Out	5,800,000	3,000,000	193%
Debt Service	- -		0%
Total Expenses:	177,126,037	172,632,680	103%
Surplus (Deficit):	1,722,546	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 - June 30, 2026 (4th Quarter)(PRELIMINARY)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	100,238	-	0%
Rental Income	1,474,099	1,468,678	100%
Operating Transfers In	-	-	0%
Other Income	5,305	15,500	34%
Total Revenues:	1,579,642	1,484,178	106%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	108,396	112,393	96%
Employee Benefits	33,732	37,279	90%
Capital Purchases	128,445	1,029,900	12%
Maintenance	212,149	234,900	90%
General Administrative	72,617	67,087	108%
Tenant Services	3,564	-	0%
Operating Transfers Out	7,436,331	-	0%
Debt Service	-	-	0%
Total Expenses:	7,995,234	1,481,559	540%
Surplus (Deficit):	(6,415,591)	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 - June 30,2026 (4th Quarter)(PRELIMINARY)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	1,063,702	1,155,715	92%
Administrative Fees	- -		0%
Grants / Contracts	227,810	275,761	83%
Rental Income	- -		0%
Operating Transfers In	- -		0%
Other Income	- -		0%
Total Revenues:	1,291,512	1,431,476	90%
Expenses:			
Housing Assistance Pmts	1,063,702	1,155,715	92%
Salaries	168,954	173,623	97%
Employee Benefits	41,093	57,040	72%
Capital Purchases	- -		0%
Maintenance	- -		0%
General Administrative	421	1,598	26%
Tenant Services	17,342	43,500	40%
Operating Transfers Out	- -		0%
Debt Service	- -		0%
Total Expenses:	1,291,512	1,431,476	90%
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 - June 30,2026 (4th Quarter)(PRELIMINARY)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	- -		0%
Administrative Fees	2,376,905	2,447,338	97%
Grants / Contracts	- -		0%
Rental Income	1,148,736	1,164,414	99%
Operating Transfers In	7,436,331 -		0%
Other Income	980,590	773,498	127%
Total Revenues:	11,942,562	4,385,250	272%
Expenses:			
Housing Assistance Pmts	- -		0%
Salaries	1,587,562	1,481,486	107%
Employee Benefits	445,697	466,927	95%
Capital Purchases	-	22,000	0%
Maintenance	143,663	180,553	80%
General Administrative	811,985	836,085	97%
Tenant Services	- -		0%
Operating Transfers Out	-	700,000	0%
Debt Service	- -		0%
Total Expenses:	2,988,907.05	3,687,051	81%
Surplus (Deficit):	8,953,655	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 - June 30,2026 (4th Quarter)(PRELIMINARY)

	2025-2026		
	FY 2025-2026	Annual	Budget
	YTD Actuals	Budget	Utilized
Revenues:			
HAPS / Program	- -		0%
Administrative Fees	- -		0%
Grants / Contracts	409,838	679,667	60%
Rental Income	- -		0%
Operating Transfers In	- -		0%
Other Income	16,100	15,750	102%
Total Revenues:	425,938	695,417	61%
Expenses:			
Housing Assistance Pmts	- -		0%
Salaries	20,003	76,562	26%
Employee Benefits	5,334	23,372	23%
Capital Purchases	- -		0%
Maintenance	0 -		0%
General Administrative	6,672	25,567	26%
Tenant Services	382,157	568,667	67%
Operating Transfers Out	- -		0%
Debt Service	- -		0%
Total Expenses:	414,166	694,168	60%
Surplus (Deficit):	11,773	1,249	

AGENDA ITEM SUMMARY

MEETING DATE: August 26, 2026

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: Housing Authority Annual Agency Goals – FY 2026 Quarter 4 Report

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Each year, the Housing Authority Board of Commissioners establishes Annual Agency Goals for the upcoming fiscal year. Below are the Agency Goals established by the Board for the 2025 - 2026 fiscal year. Housing Authority staff have provided the Board with updates on progress towards these goals on a quarterly basis. This final report shows progress on the goals for the entire fiscal year.

Overall, the Agency made substantial progress toward the Board's FY 2025-26 goals, completing major objectives related to voucher program financial stability, affordable housing acquisition and development, expansion of resident services, and employee development. In several areas, staff adjusted implementation strategies in response to changes in federal funding, development feasibility, and other external conditions while continuing to advance the broader objectives established by the Board.

Housing Authority Agency Goals for 2025 - 2026 Fiscal Year

1. Housing Choice Voucher Program:

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

Goal Met – The Housing Authority successfully balanced HCV Program utilization through planned attrition, reducing voucher utilization from 99.04% at the beginning of the fiscal year to 98.01% in June 2026. This reduction created sufficient program capacity to meet all existing Project Based Voucher (PBV) commitments and absorb all remaining Emergency Housing Voucher (EHV) households into the HCV Program. The Agency plans to complete the EHV transition in early 2027.

- b. Reduce the size of the Emergency Housing Voucher (EHV) program by at least 130 households, through attrition and by transferring those households to other rental assistance programs with more stable funding.**

Goal in Progress – The Agency made progress toward reducing the EHV Program while adjusting its strategy in response to changes in HUD’s EHV renewal funding methodology and treatment of program reserves.

Rather than transferring 130 households to HCV early in the fiscal year as originally planned, the Agency is maximizing available EHV funding while connecting as many families as possible to PBV assistance. Since October 1, 33 households have exited the EHV Program, including 20 that transitioned to the more stable PBV Program. Based on current projections, the Agency plans to transition all remaining EHV households to the HCV Program early in 2027, completing the broader goal of moving EHV families to programs with more stable, long-term funding. More information about EHV is provided in the Directors Report.

EHV Participation Status	Oct 25	Dec 25	Mar 26	Apr 26	May 26	June 26
Baseline EHV Participants as of 10/1/25	272	272	272	272	272	272
Currently Housed in EHV Program						
In Jurisdiction	256	247	239	235	232	229
Billable Port – Out of Jurisdiction	3	3	4	4	4	4
Total Housed in EHV Program	259	250	243	239	236	233
Out of Unit Searching with EHV						
In Jurisdiction	6	6	6	6	4	4
Billable Port – Out of Jurisdiction	2	2	3	3	3	2
Total Searching in EHV Program	8	8	9	9	7	6
Program Exits						
Expired Voucher	3	3	5	6	7	8
Deceased	1	3	3	3	3	3
Program Violation	1	2	2	2	2	2
Transfer to PBV	0	6	10	13	17	20
Total Program Exits	5	14	20	24	29	33
Current EHV Program Participants	267	258	252	248	243	239

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

	Baseline	Q1	Q2	Q3	Q4
HCV Households	5,877	5,875	5,863	5,901	5,846
Cumulative change	n/a	-2	-14	+24	-31

Goal in Progress – Although the HCV Program did not reduce in size to the original target of approximately 5,754 households, the Agency successfully achieved the broader objectives underlying this goal. The program decreased by 31 households during the fiscal year, from 5,877 to 5,846, despite lower-than-anticipated attrition and the addition of new PBV units.

In response to changes in HUD’s EHV funding methodology, the Agency adjusted its strategy to preserve EHV funding through the end of 2026 while creating sufficient HCV capacity for the eventual transition of EHV households. Through careful management of program size and utilization, the Agency avoided a projected HCV funding shortfall, met its PBV commitments, and created sufficient capacity to absorb all remaining EHV households.

2. Affordable Housing Supply:

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

Goal Met – The Housing Authority completed two significant acquisitions which included 2021 Chanticleer Avenue and 2030 17th Avenue. MTW funds were used for the purchase of 2021 Chanticleer. New Horizons funds were used for the purchase of 2030 17th Avenue to ensure the acquisition could be completed in a timely manner. Staff initiated the application process to use Faircloth Authority, through the Restore Rebuild Initiative, by submitting a Notice of Anticipated RAD Rents to HUD. The Restore Rebuild Initiative provides the Housing Authority with the opportunity to leverage our remaining Faircloth Authority to secure ongoing operating funds to provide Rental Assistance Demonstration program funding for 60 units at Chanticleer. Staff submitted the Mixed Finance Proposal to HUD on August 12, for 2021 Chanticleer, 750 Bay Avenue and Good Shepherd in association with Restore Rebuild Initiative to secure RAD PBV units for the project. MTW funding was allocated as gap financing for Natural Bridges to close out remaining development costs for this project. MTW funds were provided to New Horizons in the form of a loan to fully support Chanticleer pre-development expenses which include architecture services, legal, and due diligence. The Housing Authority successfully allocated funds to avoid HUD recapture of reserves and to maximize our baseline calculation for 2026.

- b. Establish a total of two partnerships on LIHTC projects, to acquire the LIHTC experience points that are required in order to apply for tax credits for our own future projects.**

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

- c. Execute purchase and sale agreement for 2021 Chanticleer to acquire property, enter a co-development agreement with a development partner in association with submitting a LIHTC application, and submit the entitlement application to the County.**

Goal in Progress – New Horizons acquired 2021 Chanticleer on August 19, 2025, and 2030 17th Avenue on October 10, 2025. Staff have selected MidPen Housing as co-development partner to provide the necessary LIHTC experience to secure a tax credit award for the project. Staff, with support from the architect 10 Over Studio, presented schematic building design options to the Board at the December 2025 meeting. The project team conducted a public community meeting on July 22, to provide an overview of the project and to solicit feedback from neighbors. Staff addressed questions and comments related to building size, building orientation, traffic, noise, storm water management, and property values. Staff submitted the Mixed Finance Proposal to HUD on August 12, in association with Restore Rebuild Initiative to secure RAD PBV units for the project. The pre-application has been submitted to the County for review by the Design Review Group, and County staff have provided positive feedback on the project design.

- d. Complete environmental review for 3501 Portola, and if cleared execute purchase and sale agreement to acquire property, enter a co-development agreement with a development partner in association with submitting a LIHTC application, and enter a contract with an architecture firm to prepare preliminary schematic plans for a project description.**

Goal Rescinded – The environmental review for 3501 Portola Drive has been completed. At its meeting on September 24, 2025, the Board of Commissioners

directed staff to terminate escrow for the property, citing the substantial estimated cost of environmental remediation required to make the site suitable for housing development.

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

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

3. Expand Programs and Services:

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

Goal Met – The Agency successfully completed year two of its plan to expand New Horizons programs and services. During the fiscal year, the Agency launched new programs, expanded eligibility for existing services, strengthened community partnerships, and increased the range of educational, financial, employment, transportation, housing stability, and senior services available to Housing Authority participants. Program-specific updates are summarized below.

Youth Services

Service	Status
Scholarship Program: Provides scholarships of at least \$1,000 to college-bound high school seniors, college students, and returning students enrolled full or part time at a university, community college, or technical school.	Status: This year, we received 152 scholarship applications and awarded scholarships to 124 students. Each recipient will receive a \$1,000 scholarship, with the highest-scoring applicant, who earned a perfect evaluation score, receiving a \$2,000 scholarship.

Summer Enrichment Activities: Summer enrichment program for school-aged children (ages 5–17) in households receiving Housing Authority assistance. The program was established through a three-way Memorandum of Understanding (MOU) with County Park Friends and the Santa Cruz County Parks Department. Assisted households receive a grant of up to \$500 towards recreational programs offered through the County of Santa Cruz Parks and Recreation.	Status: For the 2026 summer we had 300 youth from 146 families enroll in the summer enrichment program participating in various programs offered through the County of Santa Cruz Parks and Recreation.
Tutoring Program: New Horizons offers free, high-quality tutoring aimed at supporting academic achievement and student success. Tutoring services are offered across core subject areas, including reading, math, writing, science, and social studies. Services will be delivered primarily online, with in-person support available as needed, and will be offered in both English and Spanish. The program was launched in Fall 2025 as a pilot focused on K–12 students living in Housing Authority properties.	Status: The Tutoring Program launched in August 2025. During Q3, eligibility was expanded from students in owned communities to all Housing Authority participants in grades K–12. To date, 21 students have enrolled and are beginning to receive tutoring services. Staff will continue to promote the program to all eligible participants, and we anticipate increased participation when the new school year begins.
Backpacks and School Supplies: This initiative provides backpacks and essential school supplies to K–12 students in Housing Authority properties.	Status: We received 307 applications for the backpack program and expect to receive 200 backpacks for distribution. The first 200 applicants have been notified that they will receive a backpack, while the remaining applicants have been placed on a waitlist should additional backpacks become available.

General Program Population and Family Services

Service	Status
Conflict Resolution Mediation Services: Program offering free mediation services to households participating in Housing Authority programs, and to the landlords renting to Housing	Status: ▪ Total Referrals: 28 ▪ Resolved w Mediation: 14 (Landlord/Tenant

Authority participants, offered through contract with the Conflict Resolution Center of Santa Cruz County.	Disagreements: 11, Notice to vacate: 1, Tenant/Tenant Dispute: 2) ▪ Cases Resolved After Providing Resources / Information: 11 ▪ Cases Ongoing
Security Deposit Gap Assistance: Security deposit assistance program for residents of Housing Authority properties. Assistance may also be made available to other program participants on a case-by-case basis. Program designed to supplement similar programs offered by local jurisdictions, which at times face funding shortfalls or interruptions.	Status: During the 2025-2026 fiscal year, the program has assisted 11 households and provided \$20,102 in deposit assistance.
Loss Mitigation Funds: Owner Assurance Program that offers financial assistance of up to \$5,000 to landlords for tenant-caused damages exceeding the security deposit. The Housing Authority has active contracts with the County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville to partner on the funding for this program, with the first \$2,500 of funding for each claim coming from the jurisdictions, and the remainder being funded through New Horizons.	Status: During the 2025/2026 fiscal year, the program has provided 14 landlords with a total of \$36,206 in payments from New Horizons and \$54,713 from participating jurisdictions for a total of \$90,919.
Santa Cruz METRO Eco Passes: Program offering free METRO EcoPasses to residents living in Housing Authority properties.	Status: Currently a total of 45 active passes are distributed to residents. Card usage for 2025 / 2026 totaled 4,034 rides which is an average of 11 rides per day.
Internet Access Assistance: Cruzio partnership which provides free broadband internet access to residents living in Housing Authority–owned and controlled properties. As of FY 24/25, the program is active at seven out of our existing 20 sites, with 124 out of 160 eligible units currently connected.	Status: The Housing Authority and Cruzio completed the first of seven installations funded through the \$653,800 California Advanced Services Fund (CASF) Public Housing Account grant. Supply chain issues have caused delays in the project timeline, and

Connected Properties				the remaining six installations are expected to be completed during Q1 and Q2 of FY 26/27.
<u>Property</u>	<u>Units</u>	<u>Subscribed</u>	<u>Utilization Rate</u>	
30th	19	11	58%	
Portola Dr.	24	12	50%	
Crestview	16	10	63%	
Arista Ct.	16	10	81%	
Arista Ln.	15	12	80%	
Casa Pajaro	34	30	88%	
Tierra Alta	36	36	100%	
Total	160	121	76%	
Workforce Development: Services provided by Advanced Employment Group (AEG) for workshops, resume assistance and one-on-one career counseling to help participants explore careers, build job readiness skills, and secure employment.				Status: The program launched in Q2, with services available to all program participants. To date, 20 participants have enrolled in the program, receiving a total of 140 hours of service during FY 25-26.
Stakeholder Survey: Biennial survey to evaluate satisfaction with current offerings, assess utilization, and identify any unmet service needs.				Status: Survey completed. Final report presented to Board of Commissioners at the August 2026 meeting.
Financial Workshops & Coaching: The Agency is working with Balance Financial Wellness to offer financial wellness workshops to all participants. These workshops cover a variety of topics related to financial literacy and money management, providing participants with practical information, tools, and resources to help them make informed financial decisions and strengthen their overall financial well-being. Workshops are offered in English and Spanish.				Status: The first financial literacy workshop “Are You Financially Healthy” with Balance Financial Wellness took place in June. 46 participants enrolled with 32 attendees. All enrollees receive access to the recorded webinar.

Senior Services

Service	Status
Project: Silver Bells: Project Silver Bells is a seasonal initiative that provides holiday care packages and greeting cards to senior residents living in Housing Authority	Status: This project was completed during Q1. Staff delivered 166 care packages in December.

properties. The packages are thoughtfully assembled and personally delivered by Housing Authority staff, fostering community connection and holiday cheer.	
Senior Services Fair: This program hosts small-scale senior service events that connect residents with local providers offering senior-focused benefits and services. These events serve as an opportunity for community partners to share resources and engage directly with seniors.	Status: We held two Senior Services Fairs in FY 25-26 the first in October 2025 at the Watsonville Community Center, and the second in February 2026 at the London Nelson Community Center in Santa Cruz. Each fair had over ten organizations participating as exhibitors, and at least 120 attendees.
Senior Support Services: Senior Support Services Program intended to provide critical assistance including case management, access to public benefits, Medicare support, and in-home services for seniors residing in Housing Authority properties or HCV participants experiencing extreme hardship.	Status: Senior Networks has been selected from the RFP respondents and contract was signed in early July. Program outreach to participants will start in August.

4. Improve Agency and Program Management:

a. Reopen Housing Choice Voucher waiting list

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

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

- i. Goal Met – The tuition reimbursement program approved by the Board has been implemented to staff. This program is designed to encourage employees to pursue educational opportunities that enhance professional skills, support

career growth, and strengthen the Housing Authority by fostering a more knowledgeable workforce. The program provides reimbursement of up to \$3,000 per employee annually. Currently two staff members are utilizing the program in pursuit of a master's degree.

ii. Expand tools, resources, and training opportunities for staff. This will include a combination of required and optional training programs and professional development opportunities for staff.

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

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

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

Overall, the Agency made substantial progress toward achieving the Board's FY 2025-26 Agency Goals. Major accomplishments included maintaining the financial stability of the HCV Program while creating capacity for PBV commitments and the transition of EHV households, advancing affordable housing development through strategic property acquisitions and partnerships, expanding programs and services available to Housing Authority participants, and investing in employee training and professional development. Where changing federal funding conditions, project feasibility, or other external factors affected the original implementation strategy, staff adjusted our approach while continuing to advance the broader objectives established by the Board. These accomplishments provide a strong foundation for the Agency's work in FY 2026-27.

AGENDA ITEM SUMMARY

MEETING DATE: August 26, 2026

ITEM NUMBER: 3E

FROM: Executive Director

SUBJECT: Agency Share of Health and Dental Insurance Premiums for CY2027

RECOMMENDATION: Approve Staff Recommendation for Changes to the Agency's Health, Dental, and Vision Insurance Contribution Levels Effective 1/1/2027

BACKGROUND SUMMARY:

The Housing Authority's health insurance plans for staff are provided through CalPERS. CalPERS announces the rates for each of the health insurance plans for the coming calendar year prior to the open enrollment period which begins in September. The open enrollment period allows for staff to modify their health plan selections without being limited to a "qualifying event." The agency contributes towards the cost of the health insurance plans offered through CalPERS as part of the total compensation package provided to staff. Management assesses the extent to which the cost of the health insurance premiums is shared between employer and employee on an annual basis once the new rates are announced. It is ideal for this cost-sharing structure to be re-benchmarked prior to the open enrollment period to ensure staff can make informed decisions on their health plan selection for the coming year.

For the 2027 plan year, CalPERS health insurance premiums in our region will increase by a weighted average of 4.97 percent, with individual plan increases ranging as high as 11.24 percent. Staff recommends increasing the Housing Authority's monthly employer health insurance contributions by 5.98 percent, effective January 1, 2027. The proposed monthly employer contributions would be \$1,188 for single-party coverage, \$2,257 for two-party coverage, \$2,932 for family coverage, and \$1,073 for employees who elect cash in lieu of health insurance because they are covered under another qualifying plan. This recommendation will continue to provide at least one no-cost health plan option for employees electing single-party coverage. The total estimated increase in cost for the 2027 CY is \$54,813 annually. The attached table summarizes the current and proposed employer contribution levels and the resulting employee share of premiums for each available health plan.

The Housing Authority also provides employer-paid dental insurance benefits through a separate dental insurance program. The 2027 renewal rates increased by three percent. To continue providing no-cost single-party dental coverage for employees, staff recommends increasing the employer contribution for dental insurance by this three percent to cover the premium increase for single party. The overall increase of the Housing Authority's monthly dental premium will be \$187 effective January 1, 2027.

Recommendation: Approve Staff Recommendation for Changes to the Agency's Health, and Dental Insurance Contribution Levels Effective 1/1/2027

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Health Plan	2026 Health Plan Monthly Premiums	2027 Health Plan Monthly Premiums	Increase in Monthly Premium 2026 to 2027	2026 Employee Share of Monthly Premium	2027 Employee Share of Monthly Premium	Change in Employee Share of Premium
Single						
PERS Gold	1,120.58	1,215.17	94.59	0.00	27.17	27.17
Blue Shield Trio (HMO)	1,166.58	1,202.57	35.99	45.58	14.57	(31.01)
Kaiser Permanente (HMO)	1,168.86	1,187.63	18.77	47.86	0.00	(47.86)
Blue Shield Access+ (HMO)	1,301.95	1,479.12	177.17	180.95	291.12	110.17
Blue Shield Trio (EPO)	1,301.95	1,479.12	177.17	N/A	291.12	N/A
Anthem Blue Cross Select (HMO)	1,336.29	1,486.44	150.15	215.29	298.44	83.15
PERS Platinum	1,670.14	1,778.62	108.48	549.14	590.62	41.48
Anthem Blue Cross Traditional (HMO)	1,612.08	1,732.52	120.44	491.08	544.52	53.44
2 Party						
PERS Gold	2,241.16	2,430.34	189.18	111.16	173.34	62.18
Blue Shield Trio (HMO)	2,333.16	2,405.14	71.98	203.16	148.14	(55.02)
Kaiser Permanente (HMO)	2,337.72	2,375.26	37.54	207.72	118.26	(89.46)
Blue Shield Access+ (HMO)	2,603.90	2,958.24	354.34	473.90	701.24	227.34
Blue Shield Trio (EPO)	2,603.90	2,958.24	354.34	N/A	701.24	N/A
Anthem Blue Cross Select (HMO)	2,672.58	2,972.88	300.30	542.58	715.88	173.30
PERS Platinum	3,340.28	3,557.24	216.96	1,210.28	1,300.24	89.96
Anthem Blue Cross Traditional (HMO)	3,224.16	3,465.04	240.88	1,094.16	1,208.04	113.88
Family						
PERS Gold	2,913.51	3,159.44	245.93	146.51	227.44	80.93
Blue Shield Trio (HMO)	3,033.11	3,126.68	93.57	266.11	194.68	(71.43)
Kaiser Permanente (HMO)	3,039.04	3,087.84	48.80	272.04	155.84	(116.20)
Blue Shield Access+ (HMO)	3,385.07	3,845.71	460.64	618.07	913.71	295.64
Blue Shield Trio (EPO)	3,385.07	3,845.71	460.64	N/A	913.71	N/A
Anthem Blue Cross Select (HMO)	3,474.35	3,864.74	390.39	707.35	932.74	225.39
PERS Platinum	4,342.36	4,624.41	282.05	1,575.36	1,692.41	117.05
Anthem Blue Cross Traditional (HMO)	4,191.41	4,504.55	313.14	1,424.41	1,572.55	148.14

HA Monthly Contribution	2026	2027	2027 Increase
Single	Up to \$1,121	Up to \$1,188	\$67
2 Party	Up to \$2,130	Up to \$2,257	\$127
Family	Up to \$2,767	Up to \$2,932	\$165
Cash in Lieu	\$1,006	\$1,073	\$67

AGENDA ITEM SUMMARY

MEETING DATE: August 26, 2026

ITEM NUMBER: 3F

FROM: Development Director

SUBJECT: Authorization to Submit a Mixed Finance Development Proposal and participate in the Rental Assistance Demonstration Program to support the development of 2021 Chanticleer Avenue

RECOMMENDATION: Adopt Resolution 2026-03 Approving the submission of a Mixed-Finance Development Proposal to the U.S. Department of Housing and Urban Development (HUD) for 2021 Chanticleer Avenue and authorizing participation in HUD's Rental Assistance Demonstration Program.

BACKGROUND / SUMMARY:

2021 Chanticleer Avenue includes 60 affordable units, with a mix of studio, 1, 2, and 3-bedroom units, plus a manager's unit. A second Design Review Group Pre-Application was submitted to the County of Santa Cruz for review and comment on July 16, 2026. The project will be financed using 4% Low-Income Housing Tax Credits, conventional loans, and participation in HUD's Restore Rebuild Initiative.

Participation in HUD's Restore Rebuild Initiative requires the submission of a Mixed-Finance Development Proposal to HUD to establish 60 units as mixed-finance public housing units. Following HUD approval of the Mixed-Finance Development Proposal, the Housing Authority intends to participate in HUD's Rental Assistance Demonstration (RAD) Program. Through RAD, the 60 mixed-finance public housing units would subsequently be converted to Project-Based Voucher assistance, providing an ongoing source of rental assistance for the units.

Because the Restore Rebuild Initiative and RAD Program are administered through HUD, the Housing Authority must authorize New Horizons' participation in these programs. Housing Authority Board approval is therefore requested to authorize New Horizons, with the support of the Housing Authority, to submit the Mixed-Finance Development proposal and to authorize the Housing Authority to participate in the RAD program. The resolution also authorizes the Executive Director to execute the Mixed-Finance and RAD documents required by HUD and take other actions necessary to complete the Mixed-Finance approval and subsequent RAD conversion.

RECOMMENDATION:

Adopt Resolution 2026-03 approving the submission of a Mixed-Finance Development Proposal to the U.S. Department of Housing and Urban Development (HUD) for 2021 Chanticleer Avenue and authorizing participation in HUD's Rental Assistance Demonstration Program

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

HOUSING AUTHORITY RESOLUTION NO. 2026-03

A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ AUTHORIZING THE SUBMISSION OF A MIXED FINANCE DEVELOPMENT PROPOSAL AND PARTICIPATION IN THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM (2021 Chanticleer Avenue)

At a duly constituted meeting of the Board of Commissioners (the "Board") of the Housing Authority of the County of Santa Cruz (the "Authority"), held on August 26, 2026, the following resolutions were adopted:

WHEREAS, in this Resolution, when it states that the Authority shall act, the Board is authorizing such action on behalf of the Authority and deems such action to be in the best interests of the Authority; and

WHEREAS, the Authority is a duly formed housing authority of the State of California, and is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 34310-34334) of the California Health and Safety Code (the "California Housing Authority Law"), which includes providing low and moderate income housing within its jurisdiction;

WHEREAS, the Authority formed New Horizons Affordable Housing and Development Inc. ("New Horizons"), a California nonprofit public benefit corporation to help support the Authority's mission of developing and operating affordable housing within its jurisdiction;

WHEREAS, New Horizons is the owner of that certain real property located at 2021-31 Chanticleer Avenue and 2030 17th Avenue, County of Santa Cruz, State of California (together, the "Property") and intends to develop the Property into a sixty-one (61) unit affordable housing development (the "Project");

WHEREAS, New Horizons has selected Mid Peninsula Housing Corporation, a California nonprofit public benefit New Horizons ("MidPen") as a co-developer to participate in development activities along with New Horizons;

WHEREAS, New Horizons and MidPen with support from the Authority intends to submit a Mixed Finance Development proposal as part of the Restore Rebuild program administered by the Department of Housing and Urban Development ("HUD") for the Project to be developed as a mixed finance public housing project and enter into any and all documents necessary to secure HUD's approval of the Mixed Finance Development proposal (the "Mixed Finance Documents"); and,

WHEREAS, the Authority intends to participate in the Rental Assistance Demonstration Program (the "RAD Program") administered by HUD and enter into any and all documents necessary to effectuate the conversion of the Project from mixed finance public housing units under the RAD Program to Project-Based Voucher units (collectively, the "RAD Documents").

RESOLUTIONS

NOW, THEREFORE, THE BOARD OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ DOES RESOLVE AS FOLLOWS:

Section 1: The Board finds and determines that the above recitals are true and correct and have served, together with the Staff Report, as a basis in part, for the actions of the Board set forth below.

Section 2: The Board approves New Horizons' and MidPen's submission of a Mixed Finance Development Proposal with the support of the Authority.

Section 3: The Board authorizes the Executive Director of the Authority or, in the absence of the aforementioned, Chairman of the Board of Commissioners, or any other officer acting alone on behalf of the Authority (the "Authorized Officer"), to enter into and execute any and all necessary documents listed in and/or contemplated by this Resolution, including, without limitation, the Mixed Finance Documents, and RAD Documents, all in such form as is recommended by Authority special legal counsel, and approved by the Authorized Officer, such approval to be conclusively evidenced by the execution by the Executive Director or Authorized Officer of such documents, and to take any other actions, necessary to enable the mixed finance development of the Property and subsequent RAD conversion, and to do any and all other activities contemplated in this Resolution.

Section 4: The Board authorizes the Executive Director, or, the absence of the aforementioned, Chairman of the Board of Commissioners, or any Authorized Officer, acting alone on behalf of the Authority shall be authorized to execute and certify any other form of resolution, certificate or agreement required by any lender, investor, regulator or other third party involved in the transaction, so long as the Executive Director or Authorized Officer and special legal counsel to the Authority determine that the substance of such resolution, certificate or agreement does not materially conflict with the substance of this resolution.

Section 5: This Resolution shall take immediate effect upon adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this 26th Day of August, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

Chairperson of the Authority

Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: August 26, 2026

ITEM NUMBER: 3G

FROM: Development Director

SUBJECT: Authorization to Submit a Mixed Finance Development Proposal and participate in the Rental Assistance Demonstration Program to support the development of 2727 Mattison Lane

RECOMMENDATION: Adopt Resolution 2026-04 Approving the submission of a Mixed-Finance Development Proposal to the U.S. Department of Housing and Urban Development (HUD) for 2727 Mattison Lane and authorizing participation in HUD's Rental Assistance Demonstration Program.

BACKGROUND / SUMMARY:

New Horizons is in negotiations with MidPen Housing to co-develop the Good Shepherd parcel at 2727 Mattison Lane in Live Oak. Approximately 316 units are planned to be developed in three phases, with the first phase containing 148 units. New Horizons secured Restore Rebuild reservations for 65 units, with the intent to participate in HUD's Restore Rebuild Initiative to provide financing to support the development and operation of the project. This requires the submission of a Mixed-Finance Development Proposal to HUD to establish 65 of the planned 148 units as mixed-finance public housing units.

Following HUD approval of the Mixed-Finance Development Proposal, the Housing Authority intends to participate in HUD's Rental Assistance Demonstration (RAD) Program. Through RAD, the 65 mixed-finance public housing units would subsequently be converted to Project-Based Voucher assistance, providing an ongoing source of rental assistance for the units.

Because the Restore Rebuild Initiative and RAD Program are administered through HUD, the Housing Authority must authorize New Horizons' participation in these programs. Housing Authority Board approval is therefore requested to authorize New Horizons, with the support of the Housing Authority, to submit the Mixed-Finance Development proposal and to authorize the Housing Authority to participate in the RAD program. The resolution also authorizes the Executive Director to execute the Mixed-Finance and RAD documents required by HUD and take other actions necessary to complete the Mixed-Finance approval and subsequent RAD conversion.

RECOMMENDATION:

Adopt Resolution 2026-04 Approving the submission of a Mixed-Finance Development Proposal to the U.S. Department of Housing and Urban Development (HUD) for 2727 Mattison Lane and authorizing participation in HUD's Rental Assistance Demonstration Program.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

HOUSING AUTHORITY RESOLUTION NO. 2026-04

A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ AUTHORIZING THE SUBMISSION OF A MIXED FINANCE DEVELOPMENT PROPOSAL AND PARTICIPATION IN THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM (Good Shepherd)

At a duly constituted meeting of the Board of Commissioners (the "Board") of the Housing Authority of the County of Santa Cruz (the "Authority"), held on August 26, 2026, the following resolutions were adopted:

WHEREAS, in this Resolution, when it states that the Authority shall act, the Board is authorizing such action on behalf of the Authority and deems such action to be in the best interests of the Authority; and

WHEREAS, the Authority is a duly formed housing authority of the State of California, and is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 34310-34334) of the California Health and Safety Code (the "California Housing Authority Law"), which includes providing low and moderate income housing within its jurisdiction;

WHEREAS, the Authority formed New Horizons Affordable Housing and Development Inc. ("New Horizons"), a California nonprofit public benefit corporation to help support the Authority's mission of developing and operating affordable housing within its jurisdiction;

WHEREAS, Mid Peninsula Housing Corporation, a California nonprofit public benefit corporation ("MidPen") is the owner of that certain real property located at 2727 Mattison Lane in Santa Cruz, California, County of Santa Cruz, State of California (the "Property") and intends to develop the Property into 148 unit affordable housing development (the "Project");

WHEREAS, New Horizons has selected a proposal by MidPen to participate as a co-developer of the Project;

WHEREAS, New Horizons and MidPen with support from the Authority intends to submit a Mixed Finance Development proposal as part of the Restore Rebuild program administered by the Department of Housing and Urban Development ("HUD") for sixty five (65) units in the Project to be developed as mixed finance public housing units and enter into any and all documents necessary to secure HUD's approval of the Mixed Finance Development proposal (the "Mixed Finance Documents"); and,

WHEREAS, the Authority intends to participate in the Rental Assistance Demonstration Program (the "RAD Program") administered by HUD and enter into any and all documents necessary to effectuate the conversion of the Project from mixed finance public housing units under the RAD Program to Project-Based Voucher units (collectively, the "RAD Documents").

RESOLUTIONS

NOW, THEREFORE, THE BOARD OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ DOES RESOLVE AS FOLLOWS:

Section 1: The Board finds and determines that the above recitals are true and correct and have served, together with the Staff Report, as a basis in part, for the actions of the Board set forth below.

Section 2: The Board approves New Horizons' and MidPen's submission of a Mixed Finance Development Proposal with the support of the Authority.

Section 3: The Board authorizes the Executive Director of the Authority or, in the absence of the aforementioned, Chairman of the Board of Commissioners, or any other officer acting alone on behalf of the Authority (the "Authorized Officer"), to enter into and execute any and all necessary documents listed in and/or contemplated by this Resolution, including, without limitation, the Mixed Finance Documents, and RAD Documents, all in such form as is recommended by Authority special legal counsel, and approved by the Authorized Officer, such approval to be conclusively evidenced by the execution by the Executive Director or Authorized Officer of such documents, and to take any other actions, necessary to enable the mixed finance development of 65 units in the Project and subsequent RAD conversion, and to do any and all other activities contemplated in this Resolution.

Section 4: The Board authorizes the Executive Director, or, the absence of the aforementioned, Chairman of the Board of Commissioners, or any Authorized Officer, acting alone on behalf of the Authority shall be authorized to execute and certify any other form of resolution, certificate or agreement required by any lender, investor, regulator or other third party involved in the transaction, so long as the Executive Director or Authorized Officer and special legal counsel to the Authority determine that the substance of such resolution, certificate or agreement does not materially conflict with the substance of this resolution.

Section 5: This Resolution shall take immediate effect upon adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this 26th Day of August, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

Chairperson of the Authority

Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: August 26, 2026

ITEM NUMBER: 3H

FROM: Development Director

SUBJECT: Authorization to submit a Mixed-Finance Development Proposal and Participate in the Rental Assistance Demonstration Program for 750 Bay Avenue.

RECOMMENDATION: Adopt Resolution 2026-05 approving the submission of a Mixed-Finance Development Proposal to the U.S. Department of Housing and Urban Development (HUD) for Bay Avenue Senior Apartments and authorizing participation in HUD's Rental Assistance Demonstration Program.

BACKGROUND/SUMMARY:

New Horizons is negotiating the acquisition of Bay Avenue Senior Apartments, a 109-unit affordable housing development located at 750 Bay Avenue. As part of the proposed acquisition and financing plan, New Horizons, with support of the Housing Authority, intends to participate in HUD's Restore Rebuild Initiative. This requires the submission of a Mixed-Finance Development Proposal to HUD to establish 69 units at the property as mixed-finance public housing units. If negotiations with First Community Housing are successful, New Horizons intends to continue pursuing this funding source. If negotiations are unsuccessful, the Agency retains the ability to withdraw the application.

Following HUD approval of the Mixed-Finance Development Proposal, the Housing Authority intends to participate in HUD's Rental Assistance Demonstration (RAD) Program. Through RAD, the 69 mixed-finance public housing units would subsequently be converted to Project-Based Voucher assistance, providing an ongoing source of rental assistance for the units. Because the Restore Rebuild Initiative and RAD Program are administered through HUD, the Housing Authority must authorize New Horizons' participation in these programs. Housing Authority Board approval is therefore requested to authorize New Horizons, with the support of the Housing Authority, to submit the Mixed-Finance Development proposal and to authorize the Housing Authority to participate in the RAD program.

The proposed resolution also authorizes the Executive Director to execute the Mixed-Finance and RAD documents required by HUD and take other actions necessary to complete the Mixed-Finance approval and subsequent RAD conversion. Approval of this resolution is limited to the HUD Mixed-Finance and RAD processes for the 69 units at Bay Avenue Senior Apartments. Any necessary Board approvals related to the acquisition of the property will be brought to the Board separately.

RECOMMENDATION:

Adopt Resolution 2026-05 Approving the submission of a Mixed-Finance Development Proposal to the U.S. Department of Housing and Urban Development (HUD) for Bay Avenue Senior Apartments and authorizing participation in HUD's Rental Assistance Demonstration Program

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

HOUSING AUTHORITY RESOLUTION NO. 2026-05

A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ AUTHORIZING THE SUBMISSION OF A MIXED FINANCE DEVELOPMENT PROPOSAL AND PARTICIPATION IN THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM (Bay Avenue Senior)

At a duly constituted meeting of the Board of Commissioners (the "Board") of the Housing Authority of the County of Santa Cruz (the "Authority"), held on August 26, 2026, the following resolutions were adopted:

WHEREAS, in this Resolution, when it states that the Authority shall act, the Board is authorizing such action on behalf of the Authority and deems such action to be in the best interests of the Authority; and

WHEREAS, the Authority is a duly formed housing authority of the State of California, and is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 34310-34334) of the California Health and Safety Code (the "California Housing Authority Law"), which includes providing low and moderate income housing within its jurisdiction;

WHEREAS, the Authority formed New Horizons Affordable Housing and Development Inc. ("New Horizons"), a California nonprofit public benefit corporation to help support the Authority's mission of developing and operating affordable housing within its jurisdiction;

WHEREAS, New Horizons intends to acquire the one hundred nine-unit (109) development for seniors and seniors with special needs located at 750 Bay Avenue, Capitola, California, County of Santa Cruz, State of California, commonly known as Bay Avenue Senior Housing (the "Project");

WHEREAS, New Horizons is negotiating to purchase the Project from First Community Housing, a California nonprofit public benefit corporation, the sole member and manager of the managing general partner of Bay Avenue Senior Housing, L.P., a California limited partnership which owns the Project (the "Current Owner");

WHEREAS, New Horizons with support from the Authority intends to submit a Mixed Finance Development proposal as part of the Restore Rebuild program administered by the Department of Housing and Urban Development ("HUD") for acquisition of sixty nine (69) units in the Project to be added as mixed finance public housing units and enter into any and all documents necessary to secure HUD's approval of the Mixed Finance Development proposal (the "Mixed Finance Documents"); and,

WHEREAS, the Authority intends to participate in the Rental Assistance Demonstration Program (the "RAD Program") administered by HUD and enter into any and all documents necessary to effectuate the conversion of the mixed finance public housing units under the RAD Program to Project-Based Voucher units (collectively, the "RAD Documents").

RESOLUTIONS

NOW, THEREFORE, THE BOARD OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ DOES RESOLVE AS FOLLOWS:

Section 1: The Board finds and determines that the above recitals are true and correct and have served, together with the Staff Report, as a basis in part, for the actions of the Board set forth below.

Section 2: The Board approves New Horizons' submission of a Mixed Finance Development Proposal to HUD with the support of the Authority.

Section 3: The Board authorizes the Executive Director of the Authority or, in the absence of the aforementioned, Chairman of the Board of Commissioners, or any other officer acting alone on behalf of the Authority (the "Authorized Officer"), to enter into and execute any and all necessary documents listed in and/or contemplated by this Resolution, including, without limitation, the Mixed Finance Documents, and RAD Documents, all in such form as is recommended by Authority special legal counsel, and approved by the Authorized Officer, such approval to be conclusively evidenced by the execution by the Executive Director or Authorized Officer of such documents, and to take any other actions, necessary to enable the mixed finance development of 69 of the units in the Property and their subsequent RAD conversion, and to do any and all other activities contemplated in this Resolution.

Section 5: This Resolution shall take immediate effect upon adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this 26th Day of August, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

Chairperson of the Authority

Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: August 26, 2026

ITEM NUMBER: 31

FROM: Executive Director

SUBJECT: Revised Salary Chart

RECOMMENDATION: Adopt Updated Salary Chart

BACKGROUND SUMMARY:

Staff recommend that the Board of Commissioners adopt the proposed revision to the salary schedule, adjusting the Finance Director position from Range 60 to Range 63.

The agency is actively recruiting for the position of Finance Director and has recently retained CPS HR Consulting to assist with the recruitment efforts. Staff have received anecdotal information suggesting that the Finance Director salary is not competitive.

Staff reviewed the compensation for comparable Finance Director positions at several other California based housing authorities and has determined that the current chart placement for the Finance Director is less competitive when factoring the Santa Cruz market. The proposed adjustment is recommended to better align the position's salary range with current market compensation for comparable Finance Director roles and to support the agency's recruitment efforts. No other positions on the proposed salary chart have been adjusted.

RECOMMENDATION: Adopt Updated Salary Chart

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

	Monthly						Hourly				
Job Title	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 1	Step 2	Step 3	Step 4	Step 5
*	8	3773	3962	4160	4368	4587	21.77	22.86	24.00	25.20	26.46
Resident Caretaker	9	3868	4061	4264	4477	4701	22.31	23.43	24.60	25.83	27.12
Administrative Clerk I	10	3964	4163	4371	4589	4819	22.87	24.01	25.22	26.48	27.80
*	11	4063	4267	4480	4704	4939	23.44	24.62	25.85	27.14	28.50
*	12	4165	4373	4592	4822	5063	24.03	25.23	26.49	27.82	29.21
*	13	4269	4483	4707	4942	5189	24.63	25.86	27.15	28.51	29.94
Administrative Clerk II	14	4376	4595	4824	5066	5319	25.25	26.51	27.83	29.22	30.69
*	15	4485	4710	4945	5192	5452	25.88	27.17	28.53	29.96	31.45
Account Clerk II	16	4597	4827	5069	5322	5588	26.52	27.85	29.24	30.70	32.24
*	17	4712	4948	5195	5455	5728	27.19	28.55	29.97	31.47	33.05
Administrative Clerk III	18	4830	5072	5325	5592	5871	27.87	29.26	30.72	32.26	33.87
Administrative Clerk III - Maintenance											
*	19	4951	5198	5458	5731	6018	28.56	29.99	31.49	33.07	34.72
Maintenance Worker I	20	5075	5328	5595	5875	6168	29.28	30.74	32.28	33.89	35.59
*	21	5202	5462	5735	6021	6323	30.01	31.51	33.09	34.74	36.48
Accounting Technician	22	5332	5598	5878	6172	6481	30.76	32.30	33.91	35.61	37.39
Administrative Clerk IV											
Housing Assistant											
*	23	5465	5738	6025	6326	6643	31.53	33.10	34.76	36.50	38.32
Maintenance Worker II	24	5602	5882	6176	6484	6809	32.32	33.93	35.63	37.41	39.28
Housing Inspector	25	5742	6029	6330	6647	6979	33.12	34.78	36.52	38.35	40.26
Family Self-Sufficiency Coordinator	26	5885	6179	6488	6813	7153	33.95	35.65	37.43	39.30	41.27
Housing Programs Specialist											
*	27	6032	6334	6651	6983	7332	34.80	36.54	38.37	40.29	42.30
Client Services Coordinator	28	6183	6492	6817	7158	7516	35.67	37.45	39.33	41.29	43.36
Leasing Specialist											
Maintenance Worker III											
Property Management Specialist											
*	29	6338	6654	6987	7337	7703	36.56	38.39	40.31	42.33	44.44
Accounting Specialist	30	6496	6821	7162	7520	7896	37.48	39.35	41.32	43.38	45.55
Housing Programs Senior Specialist											
Maintenance Coordinator	31	6658	6991	7341	7708	8093	38.41	40.33	42.35	44.47	46.69
Executive Secretary	32	6825	7166	7524	7901	8296	39.37	41.34	43.41	45.58	47.86
Program Integrity Specialist											
Senior Accounting Specialist											
*	33	6996	7345	7713	8098	8503	40.36	42.38	44.50	46.72	49.06
Accountant	34	7170	7529	7905	8301	8716	41.37	43.44	45.61	47.89	50.28
*	35	7350	7717	8103	8508	8934	42.40	44.52	46.75	49.09	51.54
*	36	7533	7910	8306	8721	9157	43.46	45.64	47.92	50.31	52.83
*	37	7722	8108	8513	8939	9386	44.55	46.78	49.11	51.57	54.15
Senior Accountant	38	7915	8311	8726	9162	9621	45.66	47.95	50.34	52.86	55.50
Administrative Services Supervisor	39	8113	8518	8944	9391	9861	46.80	49.14	51.60	54.18	56.89
Housing Programs Supervisor											
Property Management Supervisor											
Administrative Analyst	40	8315	8731	9168	9626	10108	47.97	50.37	52.89	55.54	58.31
Communications & Engagement Analyst											
*	41	8523	8950	9397	9867	10360	49.17	51.63	54.21	56.92	59.77
*	42	8736	9173	9632	10114	10619	50.40	52.92	55.57	58.35	61.26
Data Analyst	43	8955	9403	9873	10366	10885	51.66	54.25	56.96	59.81	62.80
Facilities Manager											
Senior Administrative Analyst	44	9179	9638	10120	10626	11157	52.95	55.60	58.38	61.30	64.37
Senior Communications & Engagement Analyst											
*	45	9408	9879	10373	10891	11436	54.28	56.99	59.84	62.83	65.98
*	46	9643	10126	10632	11163	11722	55.64	58.42	61.34	64.40	67.62
Administrative Services Assistant Director	47	9885	10379	10898	11443	12015	57.03	59.88	62.87	66.01	69.32
Housing Programs Assistant Director											
Human Resources Director											
Property Management Assistant Director											
Senior Data Analyst											

*	48	10132	10638	11170	11729	12315	58.45	61.37	64.44	67.67	71.05
Information Technology Coordinator	49	10385	10904	11449	12022	12623	59.91	62.91	66.05	69.36	72.82
Controller	50	10645	11177	11736	12322	12939	61.41	64.48	67.71	71.09	74.65
Principal Management Analyst											
*	51	10911	11456	12029	12630	13262	62.95	66.09	69.40	72.87	76.51
*	52	11183	11743	12330	12946	13594	64.52	67.75	71.13	74.69	78.42
*	53	11463	12036	12638	13270	13933	66.13	69.44	72.91	76.56	80.38
Assistant Finance Director	54	11750	12337	12954	13602	14282	67.79	71.18	74.73	78.47	82.39
*	55	12043	12645	13278	13942	14639	69.48	72.95	76.60	80.43	84.45
*	56	12344	12962	13610	14290	15005	71.22	74.78	78.52	82.44	86.57
Administrative Services Director	57	12653	13286	13950	14647	15380	73.00	76.65	80.48	84.50	88.73
Housing Programs Director											
Property Management Director											
*	58	12969	13618	14299	15014	15764	74.82	78.56	82.49	86.62	90.95
Development Director	59	13294	13958	14656	15389	16158	76.69	80.53	84.55	88.78	93.22
	60	13626	14307	15023	15774	16562	78.61	82.54	86.67	91.00	95.55
*	61	13967	14665	15398	16168	16976	80.58	84.61	88.84	93.28	97.94
*	62	14316	15032	15783	16572	17401	82.59	86.72	91.06	95.61	100.39
Finance Director	63	14674	15407	16178	16987	17836	84.66	88.89	93.33	98.00	102.90
Director of Operations	64	15040	15792	16582	17411	18282	86.77	91.11	95.67	100.45	105.47
*	65	15416	16187	16997	17846	18739	88.94	93.39	98.06	102.96	108.11
*	66	15802	16592	17422	18293	19207	91.16	95.72	100.51	105.53	110.81
*	67	16197	17007	17857	18750	19687	93.44	98.12	103.02	108.17	113.58
*	68	16602	17432	18304	19219	20180	95.78	100.57	105.60	110.88	116.42
*	69	17017	17868	18761	19699	20684	98.17	103.08	108.24	113.65	119.33
Deputy Executive Director	70	17442	18314	19230	20192	21201	100.63	105.66	110.94	116.49	122.31
*	71	17878	18772	19711	20696	21731	103.14	108.30	113.72	119.40	125.37
*	72	18325	19242	20204	21214	22275	105.72	111.01	116.56	122.39	128.51
*	73	18783	19723	20709	21744	22831	108.37	113.78	119.47	125.45	131.72
*	74	19253	20216	21226	22288	23402	111.08	116.63	122.46	128.58	135.01
*	75	19734	20721	21757	22845	23987	113.85	119.54	125.52	131.80	138.39
*	76	20228	21239	22301	23416	24587	116.70	122.53	128.66	135.09	141.85
*	77	20733	21770	22859	24002	25202	119.62	125.60	131.88	138.47	145.39
Executive Director	78	21252	22314	23430	24602	25832	122.61	128.74	135.17	141.93	149.03

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: August 26, 2026

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Election of Officers

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Each August, the Board of Commissioners elects or re-elects a Chairperson and Vice-Chairperson for the next twelve months. In December 2023, the Board of Commissioners updated the Agency Bylaws to implement a Rotation of Officers.

The Bylaws state the following:

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

In October of 2024, the Board of Commissioners further updated the bylaws to state that appointments according to the rotation automatically occur at the conclusion of the term for the Chair. Names of current Commissioners have been noted [] within the excerpt of the Bylaws below.

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

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

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

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

- *Commissioner nominated by the City of Watsonville.* [Providence Martinez-Alaniz]
- *Commissioner that is a current Authority participant and 62+ years-old.* [Richard Schmale]
- *Commissioner nominated by the Community Action Board.* [Annette Melendrez]
- *Commissioner nominated by the County of Santa Cruz (1).* [Sylvia Morales]
- *Commissioner that is a current Authority participant.* [Ligaya Eligio]
- *Commissioner nominated by the City of Santa Cruz.* [Carol Berg]
- *Commissioner nominated by the County of Santa Cruz (2).* [Andy Schiffrin]

The current Chairperson and Vice-Chairperson of the Housing Authority of the County of Santa Cruz have completed two full years and have reached the limitations of their respective terms. Per the Bylaws, the current Vice-Chairperson (Annette Melendrez) shall be appointed as the Chairperson, and Sylvia Morales shall be appointed as Vice-Chairperson. The Chairperson and Vice-Chairperson have the right to decline reappointment. In the event that a Chairperson or Vice-Chairperson declines reappointment, the next Commissioner in the rotation shall be appointed.

RECOMMENDATION: Receive Report

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA ITEM SUMMARY

MEETING DATE: August 26, 2026

ITEM NUMBER: 8

FROM: Exec. Director; Deputy Exec. Director

SUBJECT: Director's Report – August 26, 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 August 26, 2026 meeting. My phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

HUD Restore Rebuild Initiative – In May 2026 HUD sent a memo to housing authorities to notify them that HUD is “winding down” the Restore Rebuild Initiative in connection with Faircloth Authority. Prior to this announcement staff submitted three Notice of Anticipated RAD Rents (NARR) requests to HUD. These included the use of 61 Faircloth units for Chanticleer, 69 Faircloth units for Bay Avenue Senior Apartments, an existing affordable housing project, and 65 Faircloth units for Good Shepherd, a MidPen Inc new construction project that was selected by New Horizons as a co-development project through our Co-Development RFQ. The submission of a NARR request is the first step in accessing Faircloth Authority for a development project under the Restore Rebuild Initiative. To preserve these NARR requests the Housing Authority submitted the required Mixed-Finance Development Proposals to HUD on August 13. As part of the application process the Housing Authority had to revise the agency's Annual Plan and 5-Year PHA Plan, which is currently open for the public review period and will be presented at the September Board meeting for approval.

Chanticleer – The project completed the formal Development Review Group (DRG) meeting with the Planning Division and corresponding County departments on June 11. County staff provided positive feedback on the project plans and design, and provided feedback on sewer and stormwater management, tandem parking, and setbacks for future road improvements. Staff continue to work with the project team, 10 Over Architects and MidPen, on pre-development activities related to project design. On July 21, the project team conducted a virtual community meeting which introduced the development team, project design, and solicited feedback from the community. There were approximately 10 community members that participated in the meeting. Community members raised several questions and concerns related to project size, privacy, shading, stormwater management, property values, traffic, noise, trash management, and construction. Staff documented the feedback and provided a written response on July 31, to each community member in attendance. On August 13, the Mixed-Finance Development Proposal was submitted to HUD to preserve the use of RAD for the project. Staff are meeting with MidPen on August

28 to review the JDA and discuss project financing options. Staff expect to present the JDA at the September Board meeting for review and approval.

Headquarter Search – Staff are in the early stages of conducting a search for a new agency office headquarters. Staff are searching for an office that is located in mid-county that is accessible to clients and staff, will allow for all staff to be located within a single office space, provide a welcoming lobby with adjacent private interview rooms, and flexible meeting space for all-staff meetings, Board of Commissioner meetings, and other community events. Staff selected CBRE, Inc. to provide commercial real estate and relocation services to advise, identify, and relocate the agency to a new office location. Staff plan to keep the Board updated with the progress associated with each of these tasks and will include the Board in decision making regarding site location, office programming, and relocation.

Veterans Assisted Supportive Housing (VASH) Vouchers – HUD recently awarded the Housing Authority with 16 new VASH vouchers, bringing our total number of VASH vouchers to 499. Of these 499 vouchers, currently 458 are tenant based, with the remaining 41 as project based units at existing affordable housing projects. Our VASH utilization is 98.96%.

2027 Community Report – The fiscal year 2027 Community Report is here! We're incredibly proud of this year's report, which is attached for your review. The theme, "Rooted in Community," reflects the many ways our work extends beyond housing assistance to strengthen opportunity, partnership, and connection throughout Santa Cruz County. It highlights not only the impact of our housing programs, but also the growth of New Horizons, resident services, community partnerships, and the stories of the people whose lives have been changed through this work. You may also notice a change in the timing of this report from prior years. Historically, our Community Reports have covered the calendar year. Beginning this year, we've transitioned to a fiscal year cycle. This better aligns the report with our budget and planning process and allows us to better understand our federal funding environment as the report is being developed. The Community Report is available on our website, on social media, and has been sent to local elected officials and community partners to showcase our work.

Board Member Recognition – We are pleased to congratulate Board Member Andy Schiffrin on a special and well-deserved recognition of his many years of public service. At the recent grand opening of the Panther Beach parking area along the North Coast, Santa Cruz Mayor Fred Keeley announced that the parking area had been dedicated in Andy's honor. The dedication recognizes Andy's more than 50 years of service and involvement in local transportation policy, including his longtime role representing the Third District Supervisor's Office on the Santa Cruz County Regional Transportation Commission. A commemorative plaque at the site now honors his extraordinary contributions to our community. We congratulate Andy on this meaningful recognition and thank him for his continued commitment to public service. An article from a recent edition of the Santa Cruz Sentinel, with a photo of the plaque, is attached.

Emergency Housing Voucher Program – We continue to make significant progress in planning for the transition of households from the Emergency Housing Voucher (EHV) Program. EHV households have been prioritized for Project-Based Voucher (PBV) units at two significant developments that are currently leasing up or beginning outreach. To date, 32 EHV households have moved into Pacific North Apartments,

with an additional five households currently in the move-in process. Once those move-ins are completed, approximately 200 households will remain in the EHV Program. An additional 13 EHV households have applied for units at Harvey West Studios.

The Housing Authority is also preparing to notify the remaining EHV households that they will be transitioned to the Housing Choice Voucher (HCV) Program and that there will be no interruption in their rental assistance as the EHV Program comes to an end. Staff are carefully coordinating the timing of these transitions to maximize the use of remaining EHV funds before households are transferred to the HCV Program. Based on current projections, we anticipate that the transfers will occur between December and February. This transition strategy will allow the Housing Authority to fully utilize available EHV funding while providing continuity and stability for participating families as they move to the HCV Program.

Legislative and Funding Updates – The federal appropriations process for Fiscal Year 2027 is underway. In June, the House Appropriations Committee approved its FY 2027 Transportation, Housing and Urban Development (T-HUD) spending bill. The proposal would provide approximately \$71.4 billion for HUD, representing a reduction of nearly \$6 billion, or approximately 8 percent, below FY 2026 enacted funding levels. While the House proposal is less severe than the President’s budget request, housing industry advocates have expressed significant concern regarding reductions to rental assistance and other housing and community development programs and the potential impact on housing authorities and the low-income families they serve.

With final FY 2027 appropriations unlikely to be completed before the end of the federal fiscal year on September 30, both chambers have now acted on temporary funding measures, or continuing resolutions, intended to fund the federal government through early December while Congress continues work on full-year appropriations. The House passed its version in July, and on August 8 the Senate approved a continuing resolution measure containing several housing-related provisions that could provide important protections for assisted families and housing authorities.

Of particular significance, the Senate measure would require HUD to provide Tenant Protection Vouchers (TPVs) by the end of calendar year 2026 for households that remain assisted through the Emergency Housing Voucher (EHV) program on September 30. Because the EHV program was created with a fixed amount of funding that is expected to be exhausted later this year, this provision could preserve ongoing rental assistance for more than 41,000 families nationwide who otherwise face the potential loss of assistance.

These provisions are encouraging and, if enacted, would provide more immediate relief to EHV families while also significantly reducing the funding risks associated with absorbing EHV families into our voucher program, and therefore significantly reducing the likelihood our program would experience a funding shortfall in 2027. However, we cannot assume these provisions will be adopted, and must continue to plan for the worst while hoping for, and advocating for, the proposed provisions and TPV funding. The House must still approve the Senate version of the continuing resolution, and the legislation must be signed into law. In addition, a continuing resolution is only a *temporary* funding measure and does not resolve FY 2027 funding levels for the Housing Choice Voucher Program or other HUD programs. Therefore, we will

continue to plan conservatively and will not assume that these additional authorities or resources will be available unless and until legislation is enacted and HUD provides implementing guidance.

The broader FY 2027 appropriations process also remains unresolved. The House T-HUD bill has not completed the legislative process, and as of mid-August the Senate has not advanced a full-year FY 2027 T-HUD appropriations bill. Ultimately, differences between the House and Senate proposals will need to be reconciled before final FY 2027 appropriations can be enacted. The continuing resolution, if enacted, would provide additional time for that process but would also extend uncertainty regarding final funding levels.

In other news, HUD also recently published its FY 2026 Renewal Funding Inflation Factors (RFIFs) for the Housing Choice Voucher Program. The FY 2026 RFIF methodology assumes a 2.337 percent national increase in Per Unit Cost and then adjusts individual housing authority funding based primarily on changes in local Fair Market Rents. The RFIF for Santa Cruz County came in at 0.02 percent, based on a slight reduction in our FMR last year. However, the Housing Authority has recently completed an FMR study, and we are optimistic that our FMRs and RFIFs for 2027 will reflect a larger increase.

Of particular significance, HUD requested public comment on a potential change to the methodology beginning in FY 2027. HUD is considering whether local RFIF adjustments should take into account land-use regulations, permitting practices, housing production, or other local policies that may affect housing supply and rent growth. Under the concepts outlined by HUD, jurisdictions viewed as having greater regulatory constraints could potentially receive a reduced local inflation adjustment, while jurisdictions considered less constrained could potentially receive a higher adjustment.

Our agency submitted comments opposing the proposed change and urging HUD to ensure that the RFIF methodology remains focused on its core objective of measuring changes in program costs and providing sufficient funding to continue rental assistance for the same number of families. A copy of our comments is attached for the Board's information. We will continue to closely monitor the FY 2027 appropriations process, including the pending continuing resolution and its housing provisions, as well as HUD's consideration of changes to the RFIF methodology, and will provide updates to the Board as additional information becomes available.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ



2027 COMMUNITY REPORT

ROOTED IN COMMUNITY



LETTER FROM THE

Executive Director

Dear Neighbors,

Each year, we set out to tell the story of our work. Once again, that story begins with a hard truth.

Santa Cruz County remains the least affordable place in the nation to rent a home. Increases in housing costs continue to outpace incomes, placing extraordinary pressure on families, seniors, and workers throughout our community. This is the reality far too many of our neighbors are living every single day.

At the same time, uncertainty at the federal level threatens housing programs that millions rely on for stability and security. At a moment when affordable housing is needed more than ever, many of the resources that make it possible face an uncertain future.

And yet, we remain hopeful.

Because every day, we see what happens when a community chooses to show up for one another.

We see it in the families opening the door to an affordable home. We see it in the students pursuing higher education through a New Horizons Scholarship. We see it in the seniors attending a resource fair, the children discovering a new passion through summer enrichment programs, the landlords offering a home to veterans, and the participants turning a long-held dream of homeownership into reality.

These stories may look different on the surface, but their roots are connected by a common thread. They are rooted in community.

At the Housing Authority, our mission extends beyond providing housing assistance. We work to strengthen the connections and opportunities that help people thrive. Through affordable housing development, resident services, and community partnerships, we are committed to helping more people and helping people more.

The pages that follow tell the story of a community that continues to grow stronger together. They highlight the people, partnerships, and shared efforts that make this work possible and remind us that lasting progress is never achieved alone.

No matter what challenges lie ahead, our commitment remains rooted. Rooted in the belief that everyone deserves a safe place to call home. Rooted in the partnerships that strengthen our community. Rooted in the idea that when people have stability, opportunity can grow.

To everyone who has been part of this work, thank you. Together, we are helping our community put down deeper roots and build a stronger future for generations to come.

With hope,

Jenny Panetta



Data at a Glance

- Assisted Individuals
13,442
- Assisted Households
6,082
- Average Household Size
2.2
- Families with Children
32.5%
- Disabled Households
27.4%
- Elderly Households
25.6%
- Veteran Households
6.3%
- Single Person Households
44.9%
- Homeless at Admission Households
18.5%



Median Household Income*

- Assisted Households
\$19,471
- Santa Cruz County
\$116,000
- Federal Poverty Level
\$21,640

*Family of 2



Region of Residence

- South County
47.1%
- North County
46.5%
- San Lorenzo Valley
4.4%
- Other
2.0%



Age Range of Participants

- Under 5
3.9%
- 5-17
20.5%
- 18-34
18.6%
- 35-61
32.0%
- 62+
25.0%



FY2026 Financial Information*

- Total Agency Budget
\$206,516,470
- Total Rent Paid on Behalf of Families
\$162,858,599
- Amount Spent on Acquisition, Rehab, & Construction
\$7,603,130

*Includes Housing Authority and New Horizons

The Housing Authority is currently serving more than 13,000 individuals as they put down roots and build brighter futures. Behind every number is a neighbor, a family, a senior, or a child whose life has been strengthened through housing stability and opportunity.



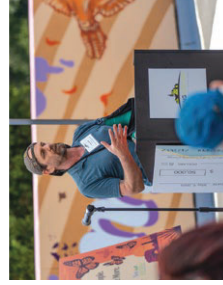
Natural Bridges Apartments

We celebrated the grand opening of Natural Bridges Apartments during Affordable Housing Month. This is the Housing Authority's first new affordable housing development in more than three decades. The three-story community provides modern, energy-efficient homes for local families and features solar panels, EV charging, bike storage, and a rooftop deck overlooking the nearby Rail Trail.

The building's centerpiece is a vibrant mural by local artist Taylor Reinhold, depicting native butterflies and birds, a symbolic representation of our own metamorphosis and re-emergence as a developer of affordable homes. A short documentary was produced to capture the story behind the project, the mural, and the people who made it possible. Scan the QR code below or visit tinyurl.com/anestingplace to watch today!

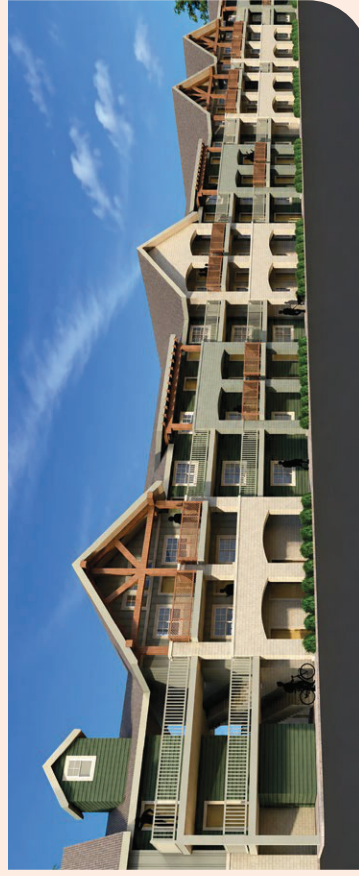


Natural Bridges Apartments represent more than new housing; it reflects the Housing Authority's commitment to creating homes, fostering connection, and shaping the future of Santa Cruz County.



New Roots in Live Oak

New Horizons Affordable Housing & Development, our non-profit affiliate, has purchased properties adjacent to Leo's Haven County Park, for its next affordable housing development. In partnership with 10-Over Architects, New Horizons is designing a three-story building that will bring 60 affordable homes to the Live Oak community. Plans are to develop the property with a co-development partner and to finance the project with Low Income Housing Tax Credits. In 2026, efforts will focus on finalizing the design, securing entitlements, and preparing for a tax credit application in early 2027, with construction anticipated to begin toward the end of 2027.



Introducing **New Horizons Client Services**: Housing is just the beginning. Over the past two years, the Housing Authority has expanded its work through New Horizons to help individuals and families pursue education, employment, financial stability, and long-term success. Here are just a few of the new programs and services now available.



2024
AWARDEE

New Horizons Scholarship

We awarded \$100,000 through the annual New Horizons Scholarship. The celebration at Cabrillo College brought together families, staff, and community partners to honor the achievements of nearly 100 scholars pursuing their educational dreams. Representative Jimmy Panetta joined the celebration to congratulate recipients and commend their hard work and determination.



Senior Resource Fairs

More than 200 seniors attended Senior Resource Fairs in 2025, held in partnership with local organizations throughout Santa Cruz County. These events connected older adults with health, transportation, legal, and community programs that help seniors stay young at heart and support aging with dignity, with additional fairs scheduled.



Summer Enrichment

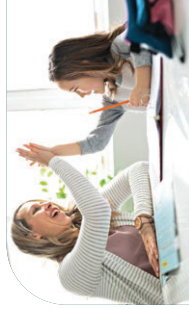
Through a partnership with the County Park Friends, the Housing Authority helped over 100 youth take part in summer camps that inspired learning, movement, and creativity. With their enrichment scholarships, families could choose from programs like dance, swimming, art, and outdoor exploration, giving every child a chance to discover new passions close to home.



2025
AWARDEE

Project: Silver Bells

We delivered holiday care packages to more than 160 seniors living in Housing Authority communities across Santa Cruz County. Each gift bag, filled with socks, treats, & handwritten cards from local children. Thanks to the generosity of community partners and donors, Project: Silver Bells continues to deliver joy one home at a time.



HOMEwork

Through a partnership with StudentNest, our HOMEwork program provides free academic support to students in assisted households. The program helps young learners build confidence, strengthen skills, and stay on track in school while giving families additional support in their child's educational journey.

2025
AWARDEE

Housing Discrimination Forum



We hosted the Housing Discrimination Forum, bringing together community members for an open discussion on fair housing and tenants rights. Local leaders, service providers, and residents explored how discrimination shows up in housing and what can be done to prevent it, report it, and fight back.



Tenant Workshops

We expanded opportunities for residents to access information, resources, and support through community workshops. In October 2025, we hosted our first Tenant Rights Workshop in partnership with Housing & Economic Rights Advocates, helping more than 70 households learn about their rights and available resources. Building on that success, additional workshops are planned.

2025
AWARDEE

Housing Mediation Program



We continued to support housing stability through our Housing Mediation Program. In partnership with the Conflict Resolution Center, we helped nearly 50 landlords and tenants navigate housing challenges through mediation. By encouraging productive communication and problem-solving, the program helps preserve housing relationships and creates pathways toward positive outcomes.



Opportunity Factory

We expanded access to workforce development through the Opportunity Factory, a free career-focused program for assisted households. Through personalized coaching in job development and workplace readiness, participants gain skills, confidence, and professional connections. During its first year, the program continued to grow as more residents pursued new employment opportunities.

The National Association of Housing and Redevelopment Officials (NAHRO) Award of Merit recognizes innovative programs and practices that improve resident services and strengthen communities across the nation.

The Keys to Opportunity

When Ana joined the Family Self-Sufficiency (FSS) Program, she had a clear goal: to buy a home of her own. For Ana, homeownership wasn't just about owning property; it was about building a foundation for her and her family's future.

While enrolled in FSS, Ana pursued a career in healthcare, becoming a surgical technologist at a local hospital while earning her Associate's Degree in Health Science from Hartnell College. Balancing full-time work, school, and family life was never easy, but Ana remained determined.

Through FSS, Ana strengthened her financial stability, learned to manage her savings, and stayed accountable to her goals with the guidance of her FSS Coordinator. The program's savings match allowed her to set aside funds that would one day help make her dream come true.

That day arrived for her in 2025, when she received the keys to her first home. "When I got the keys, I felt accomplished. It was another goal checked off my list," Ana shared. "Home now feels like safety, security, and belonging. It's more than walls and a roof; it's our sanctuary, a source of pride, and a foundation for our family's memories and future."

Ana says the experience has inspired her children, teaching them about hard work, responsibility, and the value of perseverance. She also takes pride in knowing that by becoming self-sufficient, she opened the door for another family to receive housing assistance.

"I'm very grateful to the Housing Authority," Ana said. "They helped me, and through the self-sufficiency program I was able to save for my down payment. This program truly made my dream possible."

Ana's story captures the spirit of the FSS Program and shows how it empowers families to turn "one day" into today. For more details about the FSS Program, please visit hacosantacruz.org/fss.



A Pillar of Our Community

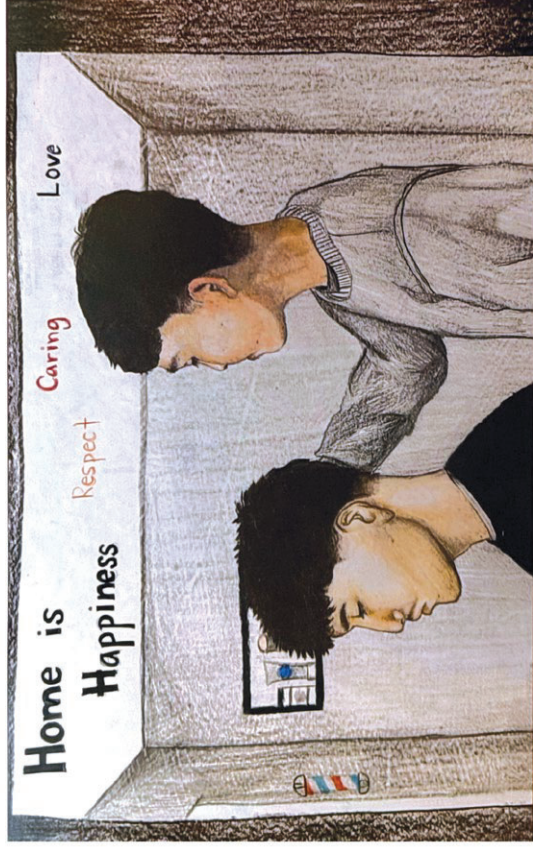
For nearly four decades, Martin and Anita Lasich have helped local families put down roots through their participation in the Housing Choice Voucher program. Martin first began accepting vouchers in 1986 after a City of Watsonville renovation loan introduced him to the Housing Authority and its mission. Since then, the couple has provided safe, well-maintained homes to families throughout the community, building relationships grounded in fairness, respect, and trust.

Martin's commitment to affordable housing is shaped in part by his own journey. After immigrating to the United States and achieving homeownership, he came to see helping others find stable housing as a way of giving back. As Martin has often shared, helping families access housing opportunities became part of his own American dream.

Featured in the Housing Authority's 2002 Community Report, Martin spoke about the

value of the voucher program and the strong partnerships it creates between property owners and residents. More than twenty years later, he continues to welcome voucher families into his properties and remains a strong supporter of the program.

In 2025, Martin and Anita were honored with the Housing Authority's Pillar of the Community Award in recognition of their nearly forty years of partnership and service. Their story reflects the power of affordable housing to create opportunity across generations and demonstrates how dedicated property owners help strengthen the roots of our community.



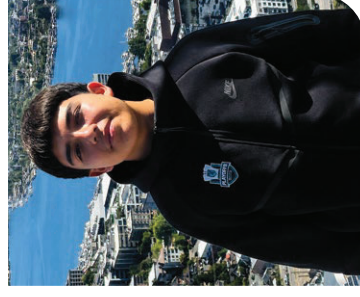
What Home Means To Me 2026 Calendar

What Home Means to Rafael

Rafael, a local youth resident, was named the national grand prize winner of the National Association of Housing and Redevelopment Officials (NAHRO) *What Home Means to Me* poster contest. His artwork, titled "Home is Happiness," was selected from national entries and is featured on the cover and inside pages of NAHRO's 2026 calendar.

As part of his national recognition, Rafael received a framed copy of his artwork, a copy of the 2026 calendar, and an iPad! Rafael's creativity and perspective remind us that home is about more than just walls and a roof; it is about connection, belonging, and happiness.

Congratulations, Rafael. We're proud of you!





Artwork by Taylor Reinhold

Helping More People. Helping People More.



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Transit officials celebrate makeover of Panther Beach parking lot near Cotoni-Coast Dairies National Monument



Approximately 30 Santa Cruz County transit leaders, advocates and government planners came together Tuesday to celebrate the grand opening of the new paved parking lot at Panther/Yellowbank Beach on the North Coast. (PK Hattis — Santa Cruz Sentinel)

By **PK Hattis** | pkhattis@santacruzsentinel.com | Santa Cruz Sentinel

PUBLISHED: August 5, 2026 at 3:00 PM PDT

NORTH COAST — Not long after Santa Cruz County Supervisor Justin Cummings moved to Santa Cruz in 2007 as a doctoral student, he bought a 1998 Honda Civic thinking it would give him the freedom to explore the environmental wonders of Santa Cruz County's North Coast. But after taking a trip up Highway 1 and pulling into one of the many earthen parking lots in the region, he realized a truck might have been more suitable.

“Having a ’98 Honda Civic and trying to drive in this parking lot was like driving on the moon,” said Cummings. The car was constantly bottoming out amid a multitude of potholes and he narrowly escaped the need to call in a tow truck.

The experience stayed with Cummings, who felt the rugged parking terrain was one example of a general lack of transportation and pedestrian infrastructure in the region which, ultimately, prevented local residents and visitors from accessing the county’s unique coastal beauty.





The newly paved parking lot at Panther/Yellowbank Beach has already become a high-use area on Santa Cruz County's North Coast. (PK Hattis — Santa Cruz Sentinel)

Almost two decades later, Cummings, now an experienced local policymaker, was one of approximately 30 elected leaders, advocates and transportation planners who gathered Tuesday afternoon to celebrate the opening of a newly paved parking lot above the popular Panther/Yellowbank Beach.

The pothole-free lot, about 3 miles south of Cotoni-Coast Dairies National Monument, now features approximately 52 parking spaces, three accessible parking spaces, four spots for motorcycles, several bicycle racks, benches, a new sidewalk, wayfinding materials and a restroom facility.

The improvements were provided through the Santa Cruz County Regional Transportation Commission's [North Coast Rail Trail project](#), also known as Segment 5 of the broader 32-mile rail trail effort. The segment features a 7.5-mile bicycle and pedestrian trail that stretches from Davenport to Wilder Ranch State Park, and runs adjacent to the renovated Panther/Yellowbank Beach parking lot.

"This is the first completed milestone of the North Coast Rail Trail project," transportation commission Board of Directors Vice Chair Steve Clark said at the ribbon-cutting ceremony. "This is going to transform how people experience one of the most spectacular stretches of California coastline."

The first two phases of Segment 5, which include the multiuse trail and another parking area and bathroom facility near Davenport, is expected to be completed in the fall. The third phase, which is slated for construction in 2028, includes a Highway 1 overpass that connects the trail to Cotoni-Coast Dairies.

Santa Cruz Mayor Fred Keeley, also in attendance at Tuesday's grand opening, took the opportunity to celebrate an old friend and colleague, and surprise him with a public honoring. Keeley announced that the Panther/Yellowbank Beach parking lot had been dedicated to Andy Schiffrin — a longtime local policy adviser who had represented the 3rd District county supervisor's office as an alternate on the transportation commission for more than 50 years — and unveiled a commemorative plaque to make it official.

"Andy has been a gift to this county for a half-century," said Keeley, "and he has more to give to us as well."

A stunned Schiffrin told the Sentinel that he felt honored and "very fortunate" to be engaged in work that he felt passionately about.

“Transportation is complex — transportation issues, transportation policy,” reflected Schiffrin. “One of the things I learned working for government is that you need incredible patience. Because under our system of government, it can take a long time, particularly when there are things where people disagree, ... it’s essential.”

The North Coast Rail Trail project cost is approximately \$51.4 million, with \$33.2 million of that total arriving through the Federal Land Access Program with the Land Trust of Santa Cruz County, \$5.25 million combined from Santa Cruz County and the California Coastal Conservancy and another \$8.2 million from the transportation commission’s Measure D half-cent sales tax revenue.

Andy Schiffrin

**Santa Cruz County Regional
Transportation Commission
Alternate Member to District 3 County Supervisor**

On behalf of the Santa Cruz County Regional
Transportation Commission, the Panther Beach
parking lot is dedicated to Andy Schiffrin
in recognition of his exceptional
50-plus years of service to the region.

Thank you for 50+ years of service

Dedicated in 2026