HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
September 23, 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 Annette Melendrez	4 year term expires, September 29, 2027
Vice-Chairperson Silvia Morales	4 year term expires, September 1, 2027
Commissioner Carol Berg	4 year term expires, May 21, 2029
Commissioner Ligaya Eligio	2 year term expires, October 18, 2026
Commissioner Providence Martinez Alaniz	4 year term expires, February 10, 2027
Commissioner Andy Schiffrin	4 year term expires, March 17, 2027
Commissioner Richard Schmale	2 year term expires, May 12, 2027

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

   A. Minutes of the Regular Meeting held August 26, 2026

      Motion to Approve

   B. Temporary Loans from Business Activity Fund

      Motion to Authorize Year-End Interfund Loans from 41st Ave Office Fund

   C. Roofing Contractor Contract Award

      Motion to Delegate Authority to the Executive Director to Execute a Contract for Roofing Replacement Services with A-One Roof Management, Inc.

   D. Executive Director Employment Agreement

      Motion to Approve the Executive Director Employment Agreement and authorize the Board Chair to execute the Agreement

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. Public Hearing, Review Drafts of Significant Amendments to the Agency Annual Plan and 5-Year Plan for the Restore-Rebuild Program for the Housing Authority of the County of Santa Cruz

Motion to Approve Submission to HUD the Significant Amendments of Agency Annual and 5-Year Plans. Adopt Resolution No. 2026-06 Authorizing Execution of the PHA Certification of Compliance with PHA Plan and Related Regulations; Board Resolution to Accompany the Significant Amendments for the Housing Authority of the County of Santa Cruz

7. Written Correspondence

8. Director's Report

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

10. Closed Session

11. Report on Closed Session

12. Adjournment

The Housing Authority complies with the Americans with Disabilities Act. If you are a person with disabilities and you require special assistance in order to participate, please contact the Board secretary at 831-454-9455, ext. 201 at least 72 hours in advance of the meeting in order to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.
Spanish language translation is available on an as needed basis. Please make arrangements 72 hours in advance by contacting the Housing Authority at 831-454-9455, ext. 280.
Agendas can be obtained from the Housing Authority of the County of Santa Cruz Administration Department.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE ANNUAL MEETING HELD AUGUST 26, 2026, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 1 Roll Call

Chairperson Martinez Alaniz called the meeting to order at 11:00 a.m. Members present Chairperson Martinez Alaniz, Vice-Chairperson Melendrez, Commissioners Berg, Eligio, Morales, Schiffrin and Schmale

Members Absent

None.

Staff Present

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

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

Secretary Panetta informed the Board that there are no late additions or changes to the agenda but wanted to inform the Board that there is also a Merrill Road Housing Corporation Meeting, a New Horizons Affordable Housing and Development Inc. meeting and a Housing Authority of the County of Santa Cruz Closed Session Item. Secretary Panetta suggested recessing the Housing Authority meeting prior to closed session, conducting the Merrill Road and New Horizons meeting, and then calling the Housing Authority back to order for the Closed Session Item. The Board of Commissioners agreed.

AGENDA ITEM NO. 3 Consent Agenda

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

Commissioner Schiffrin thanked staff for addressing his questions regarding the Consent Agenda prior to the meeting.

Commissioner Schiffrin moved for the Approval of the Consent Agenda; 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 3A. Approved Minutes of the Regular Meeting of June 24, 2026
Agenda Item 3B. Received Report Housing Authority Project Based Voucher Program – FY 2026 Quarter

4 Report
Agenda Item 3C. Received Report FY 2026 Quarter 4 Financial Report
Agenda Item 3D. Received Report Housing Authority Annual Agency Goals – FY 2026 Quarter 4 Report
Agenda Item 3E. Approved Staff Recommendation for Changes to the Agency's Health, Dental, and Vision Insurance Contribution Levels Effective 1/1/2027
Agenda Item3F. Adopted 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.
Agenda Item 3G. Adopted 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.
Agenda Item 3H. Adopted 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.
Agenda Item 3I. Adopted Updated Salary Chart

AGENDA ITEM NO. 4 Oral Communications
None.

AGENDA ITEM NO. 5 Unfinished Business
None.

AGENDA ITEM NO. 6A Appointment of Officers

Secretary Panetta reminded the Board of Commissioners that, at its Annual Meeting each August, the Board appoints or re-appoints a Chairperson and Vice-Chairperson to serve for the following twelve months. Secretary Panetta also reminded the Board that, in December 2023, the Board amended the Agency Bylaws to establish a Rotation of Officers. The current Chairperson and Vice-Chairperson have completed their two-year terms. Accordingly, Vice-Chairperson Melendrez will assume the role of Chairperson, and Commissioner Morales will be appointed as Vice-Chairperson. Secretary Panetta noted that the incoming Chairperson and Vice-Chairperson may decline their appointments.

Secretary Panetta and the Board thanked former Chairperson Martinez Alaniz for her service and contributions during her tenure as Chairperson. Secretary Panetta expressed her appreciation for the opportunity to work with Chairperson Melendrez and Vice-Chairperson Morales in their new roles. Former Chairperson Martinez Alaniz thanked the Board and staff and stated that she had enjoyed serving as Chairperson. A discussion followed.

Commissioner Schiffrin noted that the Board materials refer to “Election of Officers”, but given the current process described in the Bylaws, it would be more appropriate to use the term “Appointment of Officers”. The Board of Commissioners agreed. Staff will update the meeting minutes and future agendas accordingly.

AGENDA ITEM NO. 7 Written Correspondence

None.

AGENDA ITEM NO. 8 Report of Executive Director

Deputy Executive Director Graham reminded the Board that, in May 2026, HUD issued a memorandum notifying housing authorities that it was “winding down” the Restore Rebuild Initiative related to Faircloth Authority. Prior to the announcement, staff had submitted three Notices of Anticipated RAD Rents (NARR) requests to HUD.

Deputy Executive Director Graham further informed the Board that, as part of the application process, the Agency was required to revise its Annual Plan and Five-Year PHA Plan. The revised plans are currently available for public review and will be presented to the Board for approval at the September Board meeting.

Deputy Executive Director Graham provided the Board of Commissioners with an update on the 2021 Chanticleer Development. He reported that staff conducted a virtual community meeting on July 21 to introduce the development team, present the project design, and solicit community feedback. Approximately 10 community members participated. Community members raised questions and concerns regarding the project’s size, privacy, shading, stormwater management, property values, traffic, noise, trash management, and construction. Staff documented the feedback and provided written responses to the community members who attended the meeting on July 31.

Deputy Executive Director Graham informed the Board that staff will meet with MidPen on August 28 to review the Joint Development Agreement (JDA) and discuss project financing options. Staff anticipate presenting the JDA to the Board at the September meeting for review and approval.

Deputy Executive Director Graham updated the Board on Commissioner on the search for the Agencies’ new office headquarters. Deputy Executive Director Graham informed the Board that staff is 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 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.

Executive Director Panetta informed the Board of Commissioners that HUD recently awarded the Agency 16 additional Veterans Affairs Supportive Housing (VASH) vouchers, bringing the Agency's total allocation to 499 VASH vouchers. Of the 499 vouchers, 458 are currently tenant-based, while the remaining 41 are project-based units at existing affordable housing developments. Executive Director Panetta reported that the Agency's current VASH voucher utilization rate is 98.96%. The Board of Commissioners congratulated staff.

Executive Director Panetta informed the Board that the fiscal year 2027 Community Report is here and it is attached for the Board of Commissioners review. Executive Director Panetta informed the Board that the Community Report is available on the Agencies website, on social media, and has been sent to local elected officials and community partners to showcase our work.

Executive Director Panetta congratulated Commissioner Schiffrin on his well-deserved recognition for more than 50 years of public service and contributions to local transportation policy. At the recent grand opening of the Panther Beach parking area along the North Coast, Santa Cruz Mayor Fred Keeley announced that the site had been dedicated in Commissioner Schiffrin's honor. A commemorative plaque at the site recognizes his longstanding service, including his representation of the Third District Supervisor's Office on the Santa Cruz County Regional Transportation Commission. The Board also congratulated Commissioner Schiffrin on this honor.

Executive Director Panetta updated the Board on the Emergency Housing Voucher Program (EHV) including informing the Board that the Agency is preparing to notify all 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 all the transitions to maximize the use of remaining EHV funds.

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

AGENDA ITEM NO. 9 Reports from Board Members

None.

Chairperson Melendrez recessed the Housing Authority Board of Commissioners Meeting at 11:34 a.m.

Chairperson Melendrez called the Housing Authority Board of Commissioners meeting back in order at 12:42 p.m. The Board of Commissioners entered Closed Session at 12:42 p.m.

AGENDA ITEM NO. 10 Closed Session

A. Executive Director Evaluation and Contract Renewal

AGENDA ITEM NO. 11 Report on Closed Session

The Board of Commissioners Conducted the Executive Director employee evaluation, and directed staff to bring the Executive Director Employment Contract back to the Board at the September meeting for approval on the consent agenda.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 1:15 p.m.

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

____
Chairperson of the Authority

ATTEST: ____________________

Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: September 23, 2026 **ITEM NUMBER**: 3B

FROM: Deputy Executive Director

SUBJECT: Temporary Loans from Business Activity Fund

RECOMMENDATION: Authorize Year-End Interfund Loans from 41st Ave Office Fund

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BACKGROUND SUMMARY:

The Housing Authority manages numerous grants and contracts funded by federal, state, and local agencies. These awards are generally structured on a cost-reimbursement basis, meaning the Authority must first incur and pay expenses before receiving reimbursement from the grant agency. This timing difference is a normal and recurring aspect of grant administration. However, it can temporarily result in negative cash balances within individual grant funds until reimbursements are received. These outstanding accounts receivable balances have since been paid by HUD and the respective jurisdictions following the close of the fiscal year. It is customary to report interfund loans between funds in lieu of negative cash balances in the annual financial statements and year-end reports. Therefore, temporary interfund cash loans need to be made from the Housing Authority 41st Avenue Office Fund as follows:

Fund 681	FSS Coordinator Grant	$ 38,522.96
Fund 683	Shelter Plus Care Grant	$ 183,933.68
Fund 701	NH LIPH Administration	$ 8,751.22
Fund 702	NH Brommer Administration	$ 32,582.19
Fund 710	NH General Administration	$ 39,238.95
Fund 741	NH Casa Pajaro Administration	$ 6,463.15
Fund 842	Measure O	$ 3,890.75
Fund 852	City of Santa Cruz	$ 2,886.69
Fund 855	City of Watsonville	$ 692.08
Fund 865	County HOME Grant	$ 83.58
Fund 771	**Loan from 41st Avenue Office Fund**	**$ 317,045.25**

These temporary interfund loans will be recorded in the general ledger on June 30, 2026 and reversed on July 1, 2026. The interfund loans are subject to change pending any adjustments during the course of the financial audit.

RECOMMENDATION:

Authorize Year-End Interfund Loans from 41st Ave Office Fund.

AGENDA ITEM SUMMARY

MEETING DATE: September 23, 2026 **ITEM NUMBER:** 3C

FROM: Director of Property Management

SUBJECT: Roofing Contractor Contract Award

RECOMMENDATION: Delegate Authority to the Executive Director to Execute a Contract for Roofing Replacement Services with A-One Roof Management, Inc.

BACKGROUND SUMMARY:

The Housing Authority of the County of Santa Cruz (HACSC) has identified three properties in need of roof replacement based on the age and condition of the existing roofing systems and planned capital improvement needs.

The project includes roof replacement services at the following properties:

Site	Property	Units	Buildings
1	East Front St., Watsonville, Ca 95076	34	9
2	Tierra Alta Dr., Watsonville, Ca 95076	36	10
3	Merrill Road, Aptos Ca 95003	15	5

HACSC issued a Request for Proposals (RFP) for Roof Replacement Services to solicit competitive proposals from qualified roofing contractors. The RFP established minimum contractor qualifications and detailed specifications for the replacement of the existing roofing systems at all three properties. The project is being procured as a single contract covering all three properties to provide consistent construction standards, project coordination, and pricing across the sites.

Review Process

The RFP was publicly advertised and included a mandatory pre-proposal site walk held on August 27, 2026. Contractors were provided an opportunity to inspect the existing conditions at each property and submit questions regarding the project requirements and specifications. HACSC received five proposals from qualified roofing contractors.

An evaluation panel consisting of HACSC staff reviewed and scored the proposals in accordance with the evaluation criteria established in the RFP. Proposals were evaluated based on contractor qualifications and experience, project approach, ability to meet the project requirements, timeline, and proposed cost.

Following the evaluation process, A-One Roof Management inc. received the highest overall evaluation score and was determined to provide the best value to HACSC.

Selected Firm

A-One has extensive experience performing shingle roof replacement projects for large multifamily housing developments throughout the greater Bay Area. A-One also has direct experience working with New Horizons, having successfully completed roof replacement work at seven New Horizons properties as part of the 2024 roof replacement project. A-One will assign a project manager to serve as the main point of contact for weekly meetings and day-to-day communication with HACSC. A-One has included pricing for additional materials if needed and will collaborate with HACSC staff on executing any change orders.

HACSC Roof Replacement Project

The scope of work includes the replacement of dry-rotted or damaged fascia and roof sheathing, shingles and underlayment, gutters and downspouts, as well as the replacement and addition of roof vents to improve attic ventilation. The project will be performed in accordance with applicable California prevailing wage requirements. In addition to the roof replacement work, A-One will provide a five-year maintenance plan, including annual roof inspections and gutter cleaning through 2031, along with a five-year workmanship warranty.

The construction project is scheduled to commence in October 2026 and conclude in December 2026. Each property is expected to take approximately three to eight weeks to complete, with some overlap between properties. As construction will extend into the wet season, A-One will closely monitor weather conditions and follow a strict daily dry-in protocol. Roof tear-off will be limited to areas that can be fully dried-in and made watertight the same day, ensuring exposed roof decking is not left overnight.

HACSC will collaborate closely with A-One to ensure residents receive clear and timely communication regarding work occurring around their homes. Ongoing communication will include anticipated construction dates and duration, temporary changes to parking or vehicular access, and any required temporary removal of satellite dishes or internet equipment mounted to the roofs. Additionally, HACSC will coordinate with Cruzio to minimize disruptions to residents' internet services during construction.

Contract Execution

Upon Board approval, HACSC plans to enter a contract with A-One for roof replacement of all three properties for $1,207,000. In addition to the contract amounts, HACSC requests authorization of up to 10% of the contract amounts for any unforeseen and additional costs related to the project.

RECOMMENDATION: Delegate Authority to the Executive Director to Execute a Contract for Roof Replacement Services with A-One Roof Management Inc. including contingency amounts.

AGENDA ITEM SUMMARY

MEETING DATE: September 23, 2026

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: Executive Director Employment Agreement

RECOMMENDATION: Approve the Executive Director Employment Agreement and authorize the Board Chair to execute the Agreement

BACKGROUND SUMMARY:

At its August 26, 2026 meeting, the Board of Commissioners conducted its annual performance evaluation of the Executive Director and discussed renewal of the Executive Director's employment agreement in closed session. The proposed employment agreement reflects the changes discussed by the Board during that meeting, including extending the term of the agreement from one year to three years and providing six months' severance pay in the event the Board terminates the agreement without cause.

The proposed employment agreement is being brought forward for formal approval in open session. A redline copy showing the proposed changes is attached for the Board's consideration.

RECOMMENDATION: Approve the Executive Director Employment Agreement and authorize the Board Chair to execute the Agreement

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into this _______ day of September 2026~~5~~, by and between the Housing Authority of the County of Santa Cruz, State of California, a public body corporate and politic, hereinafter called "Employer," and Jennifer Panetta, hereinafter called "Employee."

WHEREAS, Employer wishes to employ the services of Employee and Employee wishes to render services to Employer;

NOW, THEREFORE, in exchange for the mutual promises, covenants and conditions contained herein, the parties agree as follows:

ARTICLE ONE
TERM OF EMPLOYMENT

1.1 Employment. Employer hereby employs Employee and Employee hereby accepts employment with Employer on the terms and conditions hereinafter set forth.

1.2 Term. The term of this Agreement shall be ~~one~~ three years, beginning on September 1, 2026~~5~~ and continuing through August 31, 2029~~6~~, unless terminated as provided in Article Four herein.

1.3 Agreement Renewal. At least 30 days prior to the expiration of this Agreement pursuant to section 1.2, the Board of Commissioners shall enter into negotiations with Employee for renewal, modification or extension of this Agreement.

ARTICLE TWO
DUTIES OF EMPLOYEE

2.1 Basic Duties. The Employee is hereby employed as the Executive Director of the Housing Authority of the County of Santa Cruz. Employee shall do and perform all services, acts, or things necessary to conduct the operations of Employer in the Employee's capacity as the Executive Director. Employee shall report directly to, and shall serve at the pleasure of the Board of Commissioners of the Employer.

2.2 Devotion of Time to Employer's Business. The Employee shall devote her productive time, ability and attention to the business of the Employer during the term of this Agreement, and agrees, to the best of her ability and experience, to loyally and conscientiously perform all of the duties and obligations either expressly or implicitly required of her by the terms of this Agreement. The Employee shall not directly or indirectly render any services of a business, commercial, or professional nature to any other person or organization, whether or not for compensation or otherwise, without the prior consent of the Board of Commissioners. The Board of Commissioners will not unreasonably withhold approval of Employee requests to engage in occasional teaching, writing or consulting projects performed during Employee's non-working hours.

2.3 Relationship of Parties. The Employee shall at all times be subject to the control and direction of the Board of Commissioners in the performance of her duties hereunder. The Employer reserves the exclusive right to designate which duties the Employee shall perform. Executive Director is authorized to enter into HAP contracts and sign releases, receipts, and similar documents on behalf of the Employer. The Employee shall have authority to enter into any contract on behalf of the Employer within the limitations set forth in the Procurement Policy and the Employer's Bylaws. The Employee shall have no authority to enter into any contract binding upon Employer or to create any obligation on the part of Employer in circumstances when the contract or obligation requires a Resolution of the Board.

ARTICLE THREE
COMPENSATION OF EMPLOYEE

3.1 Base Salary. As compensation for services rendered hereunder, Employee shall be compensated at Step 5 of the Executive Director Position on the Authority's Board approved salary schedule. Employee's performance shall be evaluated annually by the Board of Commissioners. If Employee attains satisfactory ratings in her performance evaluation, Employee will receive salary increases at such time as the Board of Commissioners approves a new salary chart incorporating an increase in the Employee's salary range. Employee understands and agrees that the position of Executive Director is a salaried-exempt position and that no overtime pay shall accrue to Employee as a result of any work performed for Employer in excess of forty (40) hours per week.

3.2 Health Insurance and Disability and Other Benefits. Employee shall receive Health and Long Term Disability insurance coverage and other benefits equivalent to that received by other employees.

3.3 Paid Leave. Employee shall accrue paid vacation and sick leave as outlined in the Personnel Policies. Employee shall be granted eighty (80) hours paid Administrative Leave per year. Administrative Leave may be used as paid leave or cash payment on an annual basis.

3.4 Retirement. Employee shall continue participation as a miscellaneous member of the Housing Authority Retirement Program. Employer shall be responsible for only the Employer contribution to the Retirement Program. Employee shall not belong or contribute to social security (excluding Medicare) unless and until the Board of Commissioners approves social security participation and coverage for all Housing Authority employees.

3.5 Tuition Reimbursement. If approved in advance by the Board of Commissioners, Employee may receive reimbursement for tuition incurred for job-related continuing education.

3.6 Relocation Expenses. Not Applicable.

ARTICLE FOUR
TERMINATION OF EMPLOYMENT

4.1 Voluntary Termination. Either party hereto may terminate this Agreement by providing the other party with ninety (90) days written notice of such intention to do so unless the parties mutually agree to a shorter term. Termination of this Agreement by the Employer under this section or section 4.2 must be supported by a majority vote of the Board of Commissioners. In the event that Employer voluntarily terminates this Agreement, Employer shall pay Employee as severance, the equivalent of ~~three~~ six (6~~3~~) months base salary.

4.2 Termination for Cause. If Employee willfully breaches the duties which she is required to perform under the terms of this Agreement or exhibits gross misconduct detrimental to the operation of the business of Employer, as determined in the sole discretion of Employer, Employer may, at its option, terminate the Agreement by giving written notice of termination to Employee, and such termination will be effective immediately upon receipt of the notice of termination. If Employee is terminated for cause, Employee will receive one month's base salary in lieu of notice.

4.3 Effect of Termination on Compensation. In the event of the termination of this Agreement, the Employee shall be entitled to the compensation, described in Article 3.1, earned up to the date of termination computed pro rata, as well as any accrued vacation pay, administrative pay and any additional notice or severance pay as provided in this article.

ARTICLE FIVE
MISCELLANEOUS PROVISIONS

5.1 California Law. This Agreement and the rights and obligations of the parties shall be construed, interpreted and enforced pursuant to the laws of the State of California, except that this Agreement shall be given a fair and reasonable construction in accordance with the intention of the parties and without regard to, or aid of, Section 1654 of the California Civil Code.

5.2 Severability. If any one or more of the provisions of this Agreement shall be held invalid or unenforceable, it is the specific intent of the parties that such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all the other provisions of the Agreement and all other applications of such provisions shall not be affected thereby.

5.3 Integrated Agreement. This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof and there are no agreements, understandings, restrictions, representation or warranties among the parties other than those set forth herein or herein provided for. This Agreement may not be changed orally but only by written document signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

IN WITNESS WHEREOF, the Housing Authority of the County of Santa Cruz has caused this agreement to be signed and executed on its behalf by its Chairperson of the Board of Commissioners, and the Employee has signed and executed this agreement, on the ________ day of September, 2026~~5~~.

EMPLOYER:

____

CHAIR, BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

EMPLOYEE:

____

JENNIFER PANETTA

AGENDA ITEM SUMMARY

MEETING DATE: September 23, 2026 **ITEM NUMBER:** 6A

FROM: Executive Director

SUBJECT: Public Hearing, Review Drafts of Significant Amendments to the Agency Annual Plan and 5-Year Plan for the Restore-Rebuild Program for the Housing Authority of the County of Santa Cruz

RECOMMENDATION: Approve Submission to HUD the Significant Amendments of Agency Annual and 5-Year Plans. Adopt Resolution No. 2026-06 Authorizing Execution of the PHA Certification of Compliance with PHA Plan and Related Regulations; Board Resolution to Accompany the Significant Amendments for the Housing Authority of the County of Santa Cruz

BACKGROUND SUMMARY:
The Housing Authority has secured Restore-Rebuild Program reservations to develop properties at 2021 Chanticleer Avenue and 2727 Mattison Lane, Santa Cruz for affordable housing, and to purchase an existing affordable housing development at 750 Bay Avenue, Capitola.

To participate in the Restore-Rebuild Program, the Housing Authority is required to prepare a *Significant Amendment* to the Agency's Annual and 5-Year Plans. A Significant Amendment is a formal update to the Annual and 5-Year Plan. Any time a housing authority uses Restore-Rebuild, a Significant Amendment is required if information about the Restore-Rebuild program was not already described in the Annual and 5-Year Plan. The preparation and submission of a Significant Amendment follows the same standard process as the preparation and submission of the Annual and 5-Year Plans. The Significant Amendments have been posted for public comment, the applicable jurisdictions of Santa Cruz County have confirmed that the Significant Amendments comply with their Consolidated Plans, and the Significant Amendments have been discussed with the Resident Advisory Board (RAB). The RAB was pleased to hear about the Agency's goals through the Restore-Rebuild Program and did not have any comments to the Significant Amendments. HUD will ultimately need to approve the Significant Amendments.

The Housing Authority has contracted with a Restore-Rebuild consultant to assist with the preparation of required Restore-Rebuild materials, including the Significant Amendments. The proposed Significant Amendments were designed to provide the Housing Authority with the flexibility to adapt its strategies as circumstances change.

<u>Contents of the Significant Amendments</u>
The proposed revisions to the Annual and 5-Year Plans (the Significant Amendments) accomplish two things; 1) the new plans make changes to the definition of "Significant Amendment and Substantial Deviation/Modification", and 2) they describe the proposed Restore-Rebuild activities.

Definition of Significant Amendment and Substantial Deviation/Modification – Within the Annual and 5-Year Plans, the Housing Authority is required to define "Significant Amendment" and "Substantial Deviation/Modification." These terms are used to determine when a change is significant enough that it would require a 45 day public notice period, a meeting of the Resident Advisory Board, a public hearing, and a resubmission to HUD.

The proposed definitions of both Significant Amendment and Substantial Deviation are:

> *Any change in policy which significantly alters the Authority's stated mission and the people the Authority serves, which includes admissions preferences and demolition or disposition activities. A significant amendment may also include anything that HUD requires to be a significant amendment.*
>
> *A significant amendment specifically excludes the following:*
> - *Changes to the unit mix or count of units converted under an approved conversion*
> - *Changes to the number of Restore Rebuild units designated for a specific property*
> - *Changes to the relocation plan produced as a result of an approved conversion*
> - *Changes to the financing structure for an approved conversion*
> - *Changes to the construction and rehabilitation plans for an approved conversion*
> - *Changes to the Capital Fund Budget as a result of each approved conversion, regardless of whether the proposed conversion will include the use of additional Capital Funds*
> - *The decision to convert to convert to either Project-Based Vouchers or Project-*
> - *Based Rental Assistance under RAD*

The Housing Authority's consultant recommended excluding certain actions (listed above) that may occur during a Restore-Rebuild transaction to expedite the Restore-Rebuild processes. This allows the Agency to maintain flexibility without the delay of public comment and HUD approvals. Additionally, the term "conversion programs" has been removed from the definition of "Significant Amendment" and "Substantial Deviation/Modification", as Restore-Rebuild necessarily involves a conversion.

Restore Rebuild Program Information – Attachment A to both plans includes information about the Restore-Rebuild projects, including the number of Restore-Rebuild units and anticipated financing/funding sources for each. Attachment A describes the Agency's intent to convert the units to Project-Based Vouchers (PBVs) upon completion of the Restore-Rebuild initiative and confirms that the Agency will comply with all required regulations.

Attachment B to both plans is HUD-required language that describes the rights and responsibilities of tenants in Restore-Rebuild projects and states additional regulatory requirements that the Agency must comply with.

Public Comment and Public Hearing

The Significant Amendments to the Agency Annual and 5-Year Plan have completed the public review period. Commencing Friday, August 7, 2026, and continuing weekly through September 18, 2026, public notices were published in the Santa Cruz Sentinel, Watsonville Pajaronian, and the Hollister Freelance.

These notices informed the public about the Significant Amendments, the opportunity to review the drafts, and the opportunity to provide comments. Additionally, copies of the Significant Amendments were made available on the Housing Authority website. The September Board Meeting serves as the public hearing for the Significant Amendments. To date, the public has not provided any comments.

Board Review and Approval

Once the Board has received and considered feedback provided during the public hearing, the Board will direct staff on any modifications, vote to approve the Significant Amendments, and the Chairperson shall be authorized to execute resolutions approving the submission of the Significant Amendments to HUD.

RECOMMENDATION: Approve Submission to HUD the Significant Amendments of Agency Annual and 5-Year Plans. **Adopt Resolution No. 2026-06** Authorizing Execution of the PHA Certification of Compliance with PHA Plan and Related Regulations; Board Resolution to Accompany the Significant Amendments for the Housing Authority of the County of Santa Cruz

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Streamlined Annual PHA Plan *(High Performer PHAs)*	**U.S. Department of Housing and Urban Development Office of Public and Indian Housing**	**OMB No. 2577-0226 Expires: 09/30/2027**

Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services. They also inform HUD, families served by the PHA, and members of the public of the PHA's mission, goals, and objectives for serving the needs of low-, very low-, and extremely low- income families.

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

Definitions.

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

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

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

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

B. Plan Elements

B.1 Revision of Existing PHA Plan Elements.

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

Y N
☐ ☑ Statement of Housing Needs and Strategy for Addressing Housing Needs.
☐ ☑ Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.
☐ ☑ Financial Resources.
☐ ☑ Rent Determination.
☐ ☑ Homeownership Programs.
☐ ☑ Safety and Crime Prevention.
☐ ☑ Pet Policy.
☑ ☐ Substantial Deviation.
☑ ☐ Significant Amendment/Modification

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

The Housing Authority is revising its definition of Significant Amendment and Substantial Deviation. The new definitions are found in the amended 5-Year Plan submission and attached to this document as Attachment C.

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

~~Financial Resources. - Updated to include most recent information~~

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

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

B.2	**New Activities.**

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

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

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

Attached to this Annual Plan revision are Attachment A and Attachment B. The Housing Authority is amending this section to include the information in Attachment A and Attachment B.

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

Given that the Restore-Rebuild Program constructs public housing and immediately converts to PBV or PBRA through RAD, the agency also intends to convert public housing. The agency does not have any existing public housing units in its portfolio, and therefore the RAD Program is only applicable to this new construction project.
The project is planned to be approximately 60 units and is intended to be general purpose housing with no specific set asides. It is estimated that 25% of units will be 2BRs, 25% of units will be 3BRs, and the remaining 50% of units will be distributed between1BRs and studios.

The agency plans to convert to PBVs. Families will be selected in accordance with waiting list policies as established in the HCV Administrative Plan.
The agency is not currently under a voluntary compliance agreement, consent order, consent decree, or final judicial ruling or administrative ruling or decision.

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

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

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

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

B.3 **Progress Report.**

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

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

1. **Goal: Expand Housing Choice Voucher Program**

   a. Achieve and Maintain a Housing Choice Voucher (HCV) utilization rate of 99% for the entire HCV program group. – The Housing Authority's HCV program utilization was 99.04% at the beginning of the 5 Year Plan. During year one, the utilization rate decreased to 98.29%. This decrease is attributable to an increase in the total number of vouchers effective July 1, 2025, following the award of 52 additional Family Unification Program (FUP) vouchers, as well as efforts to decrease utilization due to funding limitations.

   b. Increase size of rental assistance programs by at least 250 new vouchers – The Housing Authority's ACC was 5,913 at the beginning of the 5 Year Plan. During year one, we increased the total ACC to 5,965 (an increase of 52 vouchers). This increase is attributable to the award of 52 Family Unification Program vouchers effective July 1, 2025. The Housing Authority will continue to seek out and apply for new vouchers when available.

   c. Increase total number of households assisted by at least 350 households – The Housing Authority was assisting 5,877 households at the beginning of the 5 Year Plan. During year one, we decreased the number of participating households to 5,863 (a decrease of 14 households). Progress toward increasing the total number of households assisted during the reporting period has been affected by ongoing uncertainty regarding HUD funding levels, resulting in a need to deviate from our original goal by reducing voucher utilization to a level supported by current funding.

   d. Increase number of landlords participating in the HCV program by at least 100 – The Housing Authority Housing Choice Voucher (HCV) program had 1,948 participating landlords at the beginning of the 5 Year Plan. During year one, the number of participating landlords decreased to 1,926, representing a net decrease of 22 landlords. While the Housing Authority continues ongoing outreach and engagement efforts to support landlord participation, the decrease in participating landlords is a result of the increase in the number and percentage of vouchers being concentrated into Project Based Voucher (PBV) projects.

2. **Goal: Expand supply of affordable housing**

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

b. Establish an affordable housing pipeline, with a minimum of 100 new affordable units constructed and/or entitled, through Housing Authority nonprofit or affiliated entity – The Housing Authority through its nonprofit affiliate, New Horizons Affordable Housing and Development Inc. has acquired 2021 Chanticleer Avenue, in the unincorporated area of Santa Cruz County. New Horizons is actively working on predevelopment activities which includes preparing architectural drawings, and the project is estimated to provide between 55 to 62 units. The Housing Authority continues to search for additional acquisition and development opportunities.

c. Enter into one or more co-development partnerships with existing affordable housing developers to develop new affordable housing and to obtain Low Income Housing Tax Credit (LIHTC) experience required to apply for future tax credits for Housing Authority projects – During year one, the Housing Authority and its nonprofit affiliate, New Horizons Affordable Housing and Development Inc. identified a co-development opportunity for the development of 2021 Chanticleer. New Horizons selected MidPen Housing as the development partner for the project. The Housing Authority is currently working with MidPen Housing to define the terms and conditions of a joint development agreement in advance of execution. The Co-Development RFQ remains open, and the Housing Authority will continue to pursue additional LIHTC projects to obtain the experience needed for future tax credit applications.

3. **Goal: Improve quality of affordable housing**

a. Install solar photovoltaic panels to provide clean renewable energy at the 6 properties identified through the Solar on Multifamily Affordable Housing Program assessment – In February 2025, New Horizons entered into a contract with GRID Alternatives for the design and installation of solar photovoltaic systems at six New Horizons properties, with a total project cost of $1,212,622. As of December 2025, solar panels have been installed at two of the six sites, and the remaining four sites are currently in plan review and permitting with local jurisdictions. All installations are anticipated to be completed by the fourth quarter of FY 2025/26. The project is funded through the Solar on Multifamily Affordable Housing (SOMAH) program, with reimbursement of $927,627.77, approximately 76% of total project costs, expected in Q2 of FY 2026/27 following project completion. The remaining $284,944.42 will be funded by New Horizons.

b. At applicable properties, convert existing natural gas appliances which includes hot water boilers and cooking ranges to an electric or other green energy source system – The Housing Authority plans to release a Request for Proposals (RFP) for Energy Efficiency and Electrification Services in Q3 of FY 2025/26 for the six sites receiving solar photovoltaic (PV) systems through the SOMAH program. Staff are working with consultants from the Association for Energy Affordability to develop the project scope and identify funding sources, including opportunities through the Low-Income Weatherization Program (LIWP), the Multifamily Energy Savings Program (MFES), and PG&E. All solar PV systems have been upsized to accommodate the increased electrical loads associated with full electrification of existing gas systems. In addition to gas system electrification, the scope of work includes energy-efficient lighting upgrades and water-saving measures. Construction on these upgrades is anticipated to begin in Q4 of FY 2025/26, concurrent with the completion of the solar PV installations.

4. **Goal: Increase housing choices for assisted families:**

    a. Conduct FMR study bi-annually to ensure FMRs keep pace with market rents, and to maximize funding – The Housing Authority conducts FMR studies at least biennially. A new FMR study is planned for early 2026 to inform the October 2026 FMRs.

    b. Offer voucher mobility counseling services to voucher holders, such as workshops on how to search for rental housing, preparation of rental resumes, etc. – The Housing Authority continues to support increased housing choice for assisted families through the Family Self-Sufficiency (FSS) program. FSS Coordinators provide individualized voucher mobility counseling to FSS participants, including guidance on how to search for rental housing, preparation of rental resumes, and related housing navigation topics. Agency-wide, these topics are discussed in the online Briefing Video and Briefing Packet materials provided to all new voucher recipients.

5. **Goal: Improve agency and program management**

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

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

    a. Promote asset development through implementation and evaluation of HUD MTW Asset Building Savings for YOU Program – The Housing Authority launched a two-year MTW pilot program, Savings for YOU, in Spring 2024 to promote asset building among extremely low-income households. The program was structured as an opt-out demonstration and provided monthly savings contributions paired with financial coaching and workshops. A total of 53 households participated in the pilot. Through the end of 2025, $117,660 has been distributed to participants, with total direct-deposited payments at program completion estimated at $128,260.

    b. Identify strategies and best practices for extending or expanding the Savings for YOU Program beyond the initial cohort – The Housing Authority is partnering with ABT Global to analyze program outcomes and develop recommendations on best practices, scalability, and potential pathways for extending or expanding the Savings for YOU model beyond the initial cohort.

    c. Implement Board-Approved Resident Services Plan, with multi-generational services available to all tenants of Housing Authority owned or managed properties to improve quality of life – During the reporting period, the Housing Authority delivered and advanced a range of resident services serving youth, families, and seniors, including educational enrichment and academic support, workforce development and financial education, and senior-focused activities connecting residents to community resources and public benefits. Key programs include:

    Youth – Services targeted primarily to school age children and young adults, including scholarships, summer enrichment activities and tutoring
    Scholarship Program – The Housing Authority awards annual scholarships of at least $1,000 to

current participants pursuing higher education.

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

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

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

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

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

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

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

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

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

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

Instructions for Preparation of Form HUD-50075-HP Annual Plan for High Performing PHAs

A. PHA Information. All PHAs must complete this section (24 CFR 903.4).

A.1 Include the full **PHA Name**, **PHA Code**, **PHA Type**, **PHA Fiscal Year Beginning** (MM/YYYY), **PHA Inventory, Number of Public Housing Units and or Housing Choice Vouchers (HCVs), PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the public hearing and proposed PHA Plan (24 CFR 903.23(e)).

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table (24 CFR 943.128(a)).

B. Plan Elements.

B.1 Revision of Existing PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the "yes" box. If an element has not been revised, mark "no."

☐ **Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA's strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location (24 CFR 903.7(a)(2)(i)). Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA's reasons for choosing its strategy (24 CFR 903.7(a)(2)(ii)).

☐ **Deconcentration and Other Policies that Govern Eligibility, Selection and Admissions**. Describe the PHA's admissions policy for deconcentration of poverty and income mixing of lower-income families in public housing. The Deconcentration Policy must describe the PHA's policy for bringing higher income tenants into lower income developments and lower income tenants into higher income developments. The deconcentration requirements apply to general occupancy and family public housing developments. Refer to 24 CFR 903.2(b)(2) for developments not subject to deconcentration of poverty and income mixing requirements 24 CFR 903.7(b). Describe the PHA's procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists 24 CFR 903.7(b) A statement of the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV (24 CFR 903.7(b)). Describe the unit assignment policies for public housing 24 CFR 903.7(b).

☐ **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA operating, capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program and state the planned use for the resources (24 CFR 903.7(c)).

☐ **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies (24 CFR 903.7(d)).

☐ **Homeownership Programs**. A description of any homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval. For years in which the PHA's 5-Year PHA Plan is also due, this information must be included only to the extent that the PHA participates in homeownership programs under section 8(y) of the 1937 Act (24 CFR 903.7(k) and 24 CFR 903.11(c)(1)).

☐ **Safety and Crime Prevention.** A description of PHA's plan for safety and crime prevention. For High Performing PHAs, the information required by 24 CFR 903.7(m) must be included only to the extent this information is required for PHA's participation in the public housing drug elimination program and the PHA anticipates participating in this program in the applicable year (24 CFR 903.11(c)(1)).

☐ **Pet Policy.** Describe the PHA's policies and requirements pertaining to the ownership of pets in public housing (24 CFR 903.7(n)).

☐ **Substantial Deviation.** PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan (24 CFR 903.7(s)(2)(i)).

☐ **Significant Amendment/Modification**. PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and Annual Plan (24 CFR 903.7(s)(2)(ii)). For modifications resulting from the Rental Assistance Demonstration (RAD) program, refer to the 'Sample PHA Plan Amendment' found in Notice PIH-2019-23(HA), successor RAD Implementation Notices, or other RAD Notices.

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see 24 CFR 903.2 (24 CFR 903.23(b)).

B.2 New Activities. If the PHA intends to undertake any new activities related to these elements or discretionary policies in the applicable Fiscal Year, mark "yes" for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark "no."

☐ **Choice Neighborhoods Grants.** 1) A description of any housing (including project name, number (if known) and unit count) for which the PHA will apply for Choice Neighborhoods Grants; and **2)** A timetable for the submission of applications or proposals. The application and approval process for Choice Neighborhoods is a separate process. See guidance on HUD's website at: https://www.hud.gov/cn (Notice PIH 2011-47).

☐ **Modernization or Development (Conventional & Mixed-Finance). 1)** A description of any housing (including name, project number (if known) and unit count) for which the PHA will apply for modernization or development; and **2)** A timetable for the submission of applications or proposals. The application and approval process for modernization or development is a separate process. See 24 CFR part 905 and guidance on HUD's website at: https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6/mfph#4.

☐ **Demolition and/or Disposition.** With respect to public housing only, describe (1) any public housing development(s), or portion of a public housing development projects, owned by the PHA and subject to ACCs (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition approval under section 18 of the 1937 Act (42 U.S.C. 1437p); and (2) a timetable for the demolition or disposition. This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed as described in the PHA's last Annual and/or 5-Year PHA Plan submission. The application and approval process for demolition and/or disposition is a separate process. Approval of the PHA Plan does not constitute approval of these activities. See guidance on HUD's website at: https://www.hud.gov/program_offices/public_indian_housing/centers/sac/demo_dispo/ and 24 CFR 903.7(h).

☐ **Conversion of Public Housing under the Voluntary or Mandatory Conversion programs.** Describe **(1)** any public housing building(s) (including project number and unit count) owned by the PHA that the PHA is required to convert or plans to voluntarily convert to tenant-based assistance; **(2)** An analysis of the projects or buildings required to be converted under Section 33; and **(3)** A statement of the amount of assistance received to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at the Special Applications Center (SAC) (https://www.hud.gov/sac) and 24 CFR 903.7(j).

☐ **Conversion of Public Housing under the Rental Assistance Demonstration (RAD) program (including Faircloth to RAD).** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA plans to voluntarily convert to Project-Based Assistance or Project-Based Vouchers under RAD. Note that all PHAs shall be required to provide the information listed in Attachment 1D of Notice PIH 2019-23(HA) as a significant amendment or its successor notice. See additional guidance on HUD's website at: https://www.hud.gov/RAD/library/notices.

☐ **Homeownership Programs**. A description of any homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval. For years in which the PHA's 5-Year PHA Plan is also due, this information must be included only to the extent that the PHA participates in homeownership programs under section 8(y) of the 1937 Act (24 CFR 903.7(k) and 24 CFR 903.11(c)(1).

☐ **Project-Based Vouchers.** Describe any plans to use HCVs for new project-based vouchers, which must comply with PBV goals, civil rights requirements, Housing Quality Standards (HQS) and deconcentration standards, as stated in (24 CFR 983.55(b)(1)) and set forth in the PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. If using project-based vouchers, provide the projected number of project-based units and general locations (including if PBV units are planned on any former or current public housing units or sites) and describe how project-basing would be consistent with the PHA Plan (24 CFR 903.7(b), 24 CFR 903.7(r)).

☐ **Units with Approved Vacancies for Modernization.** The PHA must include a statement related to units with approved vacancies that are undergoing modernization in accordance with 24 CFR 990.145(a)(1).

☐ **Other Capital Grant Programs (i.e., Capital Fund Lead Based Paint, Housing Related Hazards, At Risk/Receivership/Substandard/Troubled Program, and/or Emergency Safety and Security Grants).** For all activities that the PHA plans to undertake in the applicable Fiscal Year, provide a description of the activity in the space provided.

B.3 **Progress Report.** For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan (24 CFR 903.7(s)(1)).

B.4 **Capital Improvements.** PHAs that receive funding from the Capital Fund Program (CFP) must complete this section (24 CFR 903.7 (g)). To comply with this requirement, the PHA must reference the most recent HUD approved Capital Fund 5 Year Action Plan in EPIC and the date that it was approved. PHAs can reference the form by including the following language in the Capital Improvement section of the appropriate Annual or Streamlined PHA Plan Template: "See Capital Fund 5 Year Action Plan in EPIC approved by HUD on XX/XX/XXXX."

B.5 **Most Recent Fiscal Year Audit.** If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided (24 CFR 903.7(p)).

C. Other Document and/or Certification Requirements

C.1 **Resident Advisory Board (RAB) comments**. If the RAB had comments on the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations (24 CFR 903.13(c), 24 CFR 903.19).

C.2 **Certification by State of Local Officials.** Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR 903.15). Note: A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.

C.3 **Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.** Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed*. Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed* must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA fulfills the requirements of 24 CFR 5.150 et. seq., 903.7(o)(1), and 903.15(d).

C.4 Challenged Elements. If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public (24 CFR 903.23(b)).

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year and Annual PHA Plan. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals, and objectives for serving the needs of low- income, very low- income, and extremely low-income families.

Public reporting burden for this information collection is estimated to average 5.26 hours per response, including the time for reviewing instructions, searching existing data sources, gathering. and maintaining the data needed and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0226. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

5-Year PHA Plan *(for All PHAs)*	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 09/30/2027

Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services. They also inform HUD, families served by the PHA, and members of the public of the PHA's mission, goals, and objectives for serving the needs of low-, very low-, and extremely low- income families.

Applicability. The **Form HUD-50075-5Y** is to be completed once every 5 PHA fiscal years by all PHAs. PHAs with zero public housing units must continue to comply with the PHA Plan requirements until they closeout their Section 9 programs (ACC termination).

A.	PHA Information.
A.1	**PHA Name**: Housing Authority of the County of Santa Cruz **PHA Code**: CA072 **PHA Plan for Fiscal Year Beginning**: (MM/YYYY): 07/01/2026 **The Five-Year Period of the Plan (i.e. 2019-2023):** 2025-2030 **PHA Plan Submission Type:** ☐ 5-Year Plan Submission ☑ Revised 5-Year Plan Submission **Public Availability of Information.** In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA and should make documents available electronically for public inspection upon request. PHAs are strongly encouraged to post complete PHA Plans on their official websites and to provide each resident council with a copy of their PHA Plans. The Housing Authority of the County of Santa Cruz (HACSC) makes its Annual Plan, MTW Supplement to the Annual Plan, Section 8 Administrative Plan, and all required Plan Elements available for public review and inspection. These documents may be accessed electronically at https://hacosantacruz.org/general-information/agency-plans/ or reviewed in person at HACSC's public lobby, located at 2160 41st Avenue, Capitola, California. The public lobby is open Monday through Thursday, from 8:00 a.m. to 4:30 p.m., excluding published holidays. Information related to the public hearing and proposed PHA Plan is available at the same locations. Copies may be provided upon reasonable request.

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

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

B. **Plan Elements.** Required for all PHAs completing this form.

B.1 **Mission**. State the PHA's mission for serving the needs of low-, very low-, and extremely low-income families in the PHA's jurisdiction for the next 5 years.

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

B.2	**Goals and Objectives**. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income, very low-income, and extremely low-income families for the next 5 years.

Attached to this 5-Year Plan revision is Attachment A and Attachment B. The Housing Authority is amending this section to include the information in Attachment A and Attachment B.

1. **Goal: Expand Housing Choice Voucher Program Objectives:**
   Objectives:
   a. Achieve and Maintain a Housing Choice Voucher (HCV) utilization rate of 99% for the entire HCV program group
   b. Increase size of rental assistance programs by at least new 250 vouchers
   c. Increase total number of households assisted by at least 350 households
   d. Increase number of landlords participating in the HCV program by at least 100

2. **Goal: Expand supply of affordable housing**
   Objectives:
   a. Increase the size of project-based voucher program by at least 500 units under HAP contract, with at least 400 of those units provided to new affordable housing developments
   b. Establish an affordable housing pipeline, with a minimum of 100 new affordable units constructed and/or entitled, through Housing Authority nonprofit or affiliated entity
   c. Enter into one or more co-development partnerships with existing affordable housing developers to develop new affordable housing and to obtain Low Income Housing Tax Credit (LIHTC) experience required to apply for future tax credits for Housing Authority projects

3. **Goal: Improve quality of affordable housing**
   Objectives:
   a. Install solar photovoltaic panels to provide clean renewable energy at the 6 properties identified through the Solar on Multifamily Affordable Housing Program assessment.
   b. At applicable properties, convert existing natural gas appliances which includes hot water boilers and cooking ranges to an electric or other green energy source system.
4. **Goal: Improve housing choices for assisted families**
   Objectives:
   a. Conduct FMR study bi-annually to ensure FMRs keep pace with market rents, and to maximize funding
   b. Offer voucher mobility counseling services to voucher holders, such as workshops on how to search for rental housing, preparation of rental resumes, etc.
5. **Goal: Improve agency and program management**
   Objectives:
   a. Survey key stakeholders periodically, including but not limited to landlords and assisted families to identify areas for improvement in programs,

services, and operations

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

   Objectives:

   a. Promote asset development through implementation and evaluation of HUD MTW Asset Building Savings for YOU Program
   b. Identify strategies and best practices for extending or expanding the Savings for YOU Program beyond the initial cohort
   c. Implement Board-Approved Resident Services Plan, with multi-generational services available to all tenants of Housing Authority owned or managed properties to improve quality of life.
      i. Youth – Services targeted primarily to school age children and young adults, including scholarships, summer enrichment activities and tutoring
      ii. Families – Services including workforce development and financial workshops and coaching
      iii. Seniors – Services including senior support case management and assistance in access to public benefits
   d. Evaluate Resident Services periodically to measure efficiency and impact of existing services offered, to identify emerging needs, and to update Resident Services Plan

B.3 **Progress Report.** Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.

1. **Goal: Expand supply of assisted housing**
   a. Apply for maximum award of additional rental assistance vouchers when available – The Housing Authority continues to apply for all voucher funding opportunities. The Housing Authority recently applied for an additional 15 HUD VASH vouchers and an additional 60 FUP vouchers; applications are pending HUD approval.
   b. Increase ACC of tenant-based voucher program by 200 new vouchers – The number of vouchers in our ACC has increased nearly 14% and exceeded our goal by 75%. From July 2020 to December 2024, the number of vouchers grew from 5,095 to 5,893 a net increase of 798. This includes 234 vouchers acquired through the Streamlined Voluntary Conversion, 280 Emergency Housing Vouchers (which are not permanent and will expire as families' attrition out of the program over time), 90 Mainstream Vouchers, 111 VASH vouchers, 41 Stability Vouchers, and 19 Foster Youth Independence (FYI) vouchers.
   c. Increase the size of project-based voucher program by 300 vouchers, with at least 150 of those vouchers provided to new affordable housing developments – The Housing Authority has exceeded this stated goal by over 35%. The number of vouchers under contract in our PBV Program has increased from 321 units in July 2020 to 728 units in December 2024, a significant increase of 407 units. , With an additional 825 units conditionally approved in the pipeline the Housing Authority is poised to continue this expansion. With the exception of 36 existing units, these represent new developments.
   d. Complete the development of a minimum of 6 new affordable units on Natural Bridges Drive – The Housing Authority has completed construction of 20 studio units at the site. Units are expected to be ready for occupancy in January 2025
   e. For new site based affordable housing, take measures to deconcentrate poverty and expand housing opportunity – The Housing Authority successfully transitioned all public housing to tenant protection vouchers and project-based vouchers, enabling enhanced mobility to high-opportunity areas. The Housing Authority project-based voucher Request for Proposals prioritizes equitable housing development by awarding additional points to projects located in low-poverty census tracts or highest-/high-opportunity areas.
   f. If Section 22 SVC is completed: Consider utilizing revenue from non-profit affiliate to:
      i. Fund at least one full or part time housing development position, either among HA staff or through a consultant. The Housing Authority hired a fulltime development director that was filled in October 2024. The Housing Authority has contracted with an external construction project manager and will continue to build capacity within staff as well as working with external consultants as needed.
      ii. Expand into affordable housing development and/or partner with developers. The Housing Authority has secured administrative and funding flexibility through the MTW demonstration program to support the development of affordable housing and issued a Request for Qualifications for co-development partners in August 2024. Staff continue to pursue opportunities to engage in real estate activities including the acquisition, development,

   disposition, and financing of affordable housing, consistent with strategies approved by the Board of Commissioners

2. **Goal: Improve quality of assisted housing**
   a. Renovate or modernize existing housing units and complexes as needed – The Housing Authority has overseen 53 complete unit modernizations since 2020, including painting, fixture replacements, and various upgrades.

3. **Goal: Increase assisted housing choices**
   a. Conduct FMR study bi-annually to continually increase voucher payment standards – The Housing Authority conducts FMR

studies at least bi-annually. The FMR study conducted in June 2023increased FMRs by more than 20% over the previous year's rates and the Housing Authority increased payment standards effective January 1, 2024. A new FMR study is planned for early 2025.

b. Continue or expand Landlord Incentive Program by allocating up to $200,000 to the program – The Landlord Incentive Program budget has decreased over time, with approximately $62,000 available from the jurisdictions, and $50,000 available from New Horizons Affordable Housing and Development. Although we anticipated a need of up to $200,000 in funding when the program was initially developed, the programs have been scaled down to match the funding need, based on historical data regarding consumption of funds.

c. Increase number of landlords participating in Section 8 voucher program by 10% – The Housing Authority does not have data on the number of landlords at the beginning of the 5-year plan period, due to a software conversion and change in reporting. However, the Housing Choice Voucher Program has seen a 5.8% rise in participating landlords during the 2023-2024 calendar years alone, starting 2023 with 1,852 landlords and concluding 2024 with 1,964 landlords participating.

4. Goal: Improve agency and program management

a. Maintain high performer status with a SEMAP score of at least 95% – The Housing Authority has maintained high performer status for SEMAP. However, with MTW designation, SEMAP is no longer applicable.

b. Achieve and maintain high voucher and funding utilization rates of at least 95% – Voucher utilization rate is 97.1% as of the end of FY 2023-2024.

c. Implement landlord portal with features including document uploading and electronic signature on contracts – the Housing Authority has implemented the landlord portal through YARDI Rent Café and has implemented DocuSign for executing contracts.

d. Implement resident portal with features including online annual re-examination forms, document uploading, and online maintenance requests – the Housing Authority has implemented the resident portal through YARDI Rent Café.

e. Implement applicant portal with features including online access to application status, online application updates – The Housing Authority has implemented the applicant portal through YARDI Rent Café.

The Housing Authority plans to utilize pre-MTW designated former Low-Income Public Housing (LIPH) reserves to address long-term financial obligations by transferring funds into an irrevocable Section 115 pension trust. This strategic use of reserves will help mitigate the agency's unfunded pension liability, ensuring future financial sustainability and the continued delivery of housing services.

If Section 22 SVC is completed:

f. Conduct a survey of residents and program participants to determine which programs and services are most needed – The Housing Authority conducted a stakeholder survey of 1) HCV/PBV families; 2) Residents of HA owned or controlled properties, and 3) Landlords, and is in the process of using the data to inform service delivery and program development.

5. Goal: Promote self-sufficiency and asset development of families and individuals.

a. If Section 22 SVC is completed: Consider utilizing revenue from non-profit affiliate to:

i. Provide or attract at least two new supportive services to improve tenant employability –

1. The Housing Authority's collaboration with a local Internet provider has successfully secured free high-speed internet for seven of our properties. This initiative aims to provide digital access to numerous households, aligning with our commitment to bridging the digital divide and supporting families through the Equal Access Santa Cruz program, furthering our goal of promoting self-sufficiency and asset development.

2. The Housing Authority's ongoing partnership with the Santa Cruz Metropolitan Transit District (METRO) provides free bus passes for residents living in any of the Housing Authority's owned and

controlled properties. This initiative removes barriers to mobility, empowering tenants and expanding their employability prospects.

ii. Provide or attract at least two new supportive services to improve financial literacy – The Housing Authority launched the Saving for YOU Program, a financial empowerment initiative focused on asset building. In collaboration with Ventures, an organization specializing in financial health education and personalized coaching, the program aims to equip participants with tools for long-term financial success. To date, we have conducted multiple workshops, both in-person and online, covering topics such as budgeting, credit, and savings strategies. Additionally, a number of households have chosen to participate in one-on-one coaching sessions, further enhancing their financial skills and knowledge.

6. **Goal: Ensure equal opportunity and affirmatively furthering fair housing**
   a. Take affirmative measures to ensure access to assisted housing for all protected classes or persons least likely to access assistance – The Housing Authority monitors to ensure all protected classes and persons least likely to apply have adequate representation in Housing Authority programs and waiting lists.
   b. Implement measures to deconcentrate poverty and expand housing opportunity, such as regional payment standards, policies that do not limit frequency of transfer, and consideration of poverty rates in assignment of project-based vouchers – The Housing Authority has taken many measures to expand housing opportunity, including bi-annual FMR studies that result in increased payment standards, regional payment standards that allow greater subsidy in more expensive neighborhoods, lengthy voucher search times of 270 days, and unlimited moves and transfers.

B.4	**Violence Against Women Act (VAWA) Goals.** Provide a statement of the PHA's goals, activities, objectives, policies, or programs that will enable the PHA to serve the needs of survivors of domestic violence, dating violence, sexual assault, or stalking.

a. Goals and Objectives: The Housing Authority goal is all applicants, tenants and participants understand their rights to protection through the Violence Against Women Act (VAWA). The objective is for the Housing Authority to provide the educational material to all applicants, tenants and participants. The Housing Authority serves the needs of child and adult victims of domestic violence, dating violence, sexual assault or stalking through education on VAWA protections.

b. Activities and Services: The Housing Authority activity that enables the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault or stalking is to provide all applicants, participants and tenants with the HUD Notice of Occupancy Under VAWA (HUD-5380) and Certification of VAWA (HUD-5382) forms which includes local and national resources for victims. Additional activities include transferring victims through the Housing Authority Emergency Transfer procedure and referring victims to social service and law enforcement agencies with expertise in domestic violence and other VAWA crimes. Housing Authority activities ensure that victims are not denied assistance, evicted, terminated from housing assistance, or retaliated against in any way for being a victim or being affiliated with a victim of domestic violence, dating violence, sexual assault or stalking.

c. Policies and Programs: The Housing Authority has established policies and procedures to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault or stalking. These policies and procedures implement VAWA protections. These include Violence Against Women Act (VAWA) Procedures, Violence Against Women Act (VAWA) Emergency Transfer Plan, and Termination and Non-Compliance Policy. The Housing Authority has developed a prevention program, the Emergency Transfer Plan that complies with VAWA. For families renting units owned or managed by the Housing Authority, agency staff also work closely with local law enforcement to address any and all crime-related problems in a proactive manner. Police officers live at several public housing locations and can assist with crime prevention and reporting.

B.5	**Project-Based Activities.** If a PHA intends to select one or more projects for project-based assistance without competition in accordance with 24 CFR 983.51(c), the PHA must include a statement of this intent. The Housing Authority may select projects that it owns or manages for project-based assistance without competition, in accordance with MTW waiver 9.c., as approved by HUD.
C.	**Other Document and/or Certification Requirements.**
C.1	**Significant Amendment or Modification**. Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan. The Housing Authority is revising its definition of Significant Amendment and Substantial Deviation / Modification to be as follows: **Significant Amendment:** Any change in policy which significantly alters the Authority's stated mission and the people the Authority serves, which includes admissions preferences and demolition or disposition activities. A significant amendment may also include anything that HUD requires to be a significant amendment. A significant amendment specifically excludes the following: • Changes to the unit mix or count of units converted under an approved conversion • Changes to the number of Restore Rebuild units designated for a specific property • Changes to the relocation plan produced as a result of an approved conversion • Changes to the financing structure for an approved conversion • Changes to the construction and rehabilitation plans for an approved conversion • Changes to the Capital Fund Budget as a result of each approved conversion, regardless of whether the proposed conversion will include the use of additional Capital Funds • The decision to convert to convert to either Project-Based Vouchers or Project-

	Based Rental Assistance under RAD **Substantial Deviation / Modification:** Any change in policy which significantly alters the Authority's stated mission and the people the Authority serves, which includes admissions preferences and demolition or disposition activities. A substantial deviation / modification may also include anything that HUD requires to be a substantial deviation / modification. A substantial deviation / modification specifically excludes the following: • Changes to the unit mix or count of units converted under an approved conversion • Changes to the number of Restore Rebuild units designated for a specific property • Changes to the relocation plan produced as a result of an approved conversion • Changes to the financing structure for an approved conversion • Changes to the construction and rehabilitation plans for an approved conversion • Changes to the Capital Fund Budget as a result of each approved conversion, regardless of whether the proposed conversion will include the use of additional Capital Funds • The decision to convert to convert to either Project-Based Vouchers or Project-Based Rental Assistance under RAD ~~Significant Amendment – The Housing Authority defines significant amendment as any change in policy which significantly and substantially alters the Authority's stated mission and the people the Authority serves. This would include admissions preferences, demolition or disposition activities and conversion programs. Discretionary or administrative amendments consonant with the Authority's stated overall mission and basic objectives will not be considered significant amendments.~~ ~~Substantial Deviation / Modification –The Housing Authority defines substantial deviation/modification as any change in policy which significantly and substantially alters the Authority's stated mission and the persons the Authority serves. This would include admissions preferences, demolition or disposition activities and conversion programs. Discretionary or administrative amendments consonant~~

C.2	**Resident Advisory Board (RAB) Comments.** (a) Did the RAB(s) have comments to the 5-Year PHA Plan? Y N ☐ ☑ (b) If yes, comments must be submitted by the PHA as an attachment to the 5-Year PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.
C.3	**Certification by State or Local Officials.** Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.4	**Challenged Elements.** If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public. (a) Did the public challenge any elements of the Plan? Y N ☐ ☐ (b) If yes, include Challenged Elements.

Instructions for Preparation of Form HUD-50075-5Y - 5-Year PHA Plan for All PHAs

A. PHA Information. All PHAs must complete this section (24 CFR 903.4).

A.1 Include the full **PHA Name**, **PHA Code**, **PHA Fiscal Year Beginning** (MM/YYYY), **Five-Year Period** that the Plan covers, i.e. 2019-2023, **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the hearing and proposed PHA Plan.

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table.

B. Plan Elements.

B.1 Mission. State the PHA's mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA's jurisdiction for the next five years (24 CFR 903.6(a)(1)).

B.2 Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income, very low- income, and extremely low- income families for the next five years (24 CFR 903.6(b)(1)).

B.3 Progress Report. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan (24 CFR 903.6(b)(2)).

B.4 Violence Against Women Act (VAWA) Goals. Provide a statement of the PHA's goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of survivors of domestic violence, dating violence, sexual assault, or stalking (24 CFR 903.6(a)(3)).

B.5 Project-Based Activities. If a PHA intends to select one or more projects for project-based assistance without competition in accordance with § 983.51(c), the PHA must include a statement of this intent in its 5-Year Plan (or an amendment to the 5-Year Plan) in order to notify the public prior to making a noncompetitive selection (24 CFR 903.6(c)).

C. Other Document and/or Certification Requirements.

C.1 Significant Amendment or Modification. Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan (24 CFR 903.7(s)(2)(ii)). For modifications resulting from the Rental Assistance Demonstration (RAD) program, refer to the 'Sample PHA Plan Amendment' found in Notice PIH-2012-32, REV 2.

C.2 Resident Advisory Board (RAB) comments.

(a) Did the public or RAB have comments?
(b) If yes, submit comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations (24 CFR 903.17(b), 24 CFR 903.19).

C.3 Certification by State or Local Officials.

Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan.

C.4 Challenged Elements.
If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public (24 CFR 903.23(b)).

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year PHA Plan. The 5-Year PHA Plan provides the PHA's mission, goals, and objectives for serving the needs of low- income, very low- income, and extremely low- income families and the progress made in meeting the goals and objectives described in the previous 5-Year Plan.

Public reporting burden for this information collection is estimated to average 1.23 hours per year per response or 6.15 hours per response every five years, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

Attachment A

The Housing of the County of Santa Cruz Housing Authority (HACSC) is amending its Annual and Five-Year Plans as it has received a preliminary reservation of Rental Assistance Demonstration (RAD) authority under the Restore-Rebuild Program. As a result, HACSC will be:

1. Constructing a new affordable housing project and converting it to the RAD Project-Based Voucher Program, in accordance with PIH Notice H-2019-09 PIH-2019-23 (HA), REV-4 and any successor Notices, using Restore-Rebuild RAD authority.

2. Acquiring an existing affordable housing project and converting it to the RAD Project-Based Voucher (PBV) Program under the guidelines of PIH Notice H-2019-09 PIH-2019-23 (HA), REV-4 and any successor Notices using Restore-Rebuild RAD authority.

HACSC has proposed three sites, which will consist of 194 units.

Development	**Project Type**	**Unit Type**	**0BR**	**1BR**	**2B2**	**3BR**	**Total**
2021 Chanticleer	New Construction	Family	12	18	15	15	60
750 Bay Avenue	Acquisition	Elderly	0	42	27	0	69
Good Shepherd	New Construction	Family	0	31	17	17	65
Total			12	91	59	32	194

2021 Chanticleer

2021 Chanticleer is a new construction project consisting of three-story elevator building at 2021 Chanticleer and 2030 17th Avenue, Santa Cruz, CA. HACSC anticipates using MTW funds and low-income housing tax credits to finance the project. HACSC will continue to consider other sources as necessary. Financial closing is estimated to be complete by November 2027 and HACSC expects the project to open by mid-2029.

750 Bay Avenue

750 Bay Avenue is an existing 109-unit tax credit project for elderly families at 750 Bay Ave, Capitola, CA that is owned by a third-party organization. HACSC is considering financing options and closing dates for acquisition. HACSC intends to convert the project to RAD immediately upon both purchase of the property and HUD approval of the conversion.

HACSC intends to continue serving elderly families at the property and does not expect that any existing residents will be displaced as a result of the conversion.

Good Shepherd

Good Shepherd will be a new construction project consisting of multiple multi-story buildings on the site. Financing and design options are being considered and HACSC anticipates using MTW funds and low-income housing tax credits to finance the project. HACSC will consider other sources as necessary.

Conversion to RAD

HACSC anticipates converting all units to the Project-Based Voucher (PBV) Program. Ownership of the units will be held by New Horizons Affordable Housing and Development, Inc., a non-profit instrumentality of HACSC, or some other entity created by HACSC.

Upon conversion to the PBV, HACSC will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6, Attachment 1B of the RAD Notice H-2019-09 PIH-2019-23 Rev. 4, the RAD Fair Housing, Civil Rights, and Relocation Notice - Notice H 2016-17, PIH 2016-17 (HA), PIH-2012-32 and the Joint Housing/PIH Notice H-2014-09/ PIH-2014-17 (Attachments C, D and E). These resident rights, participation, waiting list and grievance procedures are appended below as Attachment B. HACSC will utilize an elderly preference for 750 Bay Avenue but does not plan on adopting any new waiting list preferences related to the other projects.

Additionally, HACSC is currently compliant with all fair housing and civil rights requirements. The RAD conversion complies with all applicable site selection and neighborhood reviews standards and all appropriate procedures have been and will be followed. HACSC is not under a Voluntary Compliance Agreement, consent order or consent decree or final judicial ruling or administrative ruling or decision and assures that compliance will not be negatively impacted by conversion activities.

HACSC is firmly committed to improving the quality of life for its residents and providing deeply affordable housing to low-income individuals and families. HACSC will have the ability to evaluate and address capital needs improvements at both properties. This is consistent with HACSC's PHA Plan and mission to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

HACSC intends to augment the RAD rents using Moving to Work funds and certifies that it will continue to meet the MTW substantially the same (STS) requirement.

HACSC does not currently have any Public Housing units and does not receive Capital Funds. Therefore, HACSC does not have a Capital Funds Program Grants Budgets and Five-Year Capital Action Plan that will be adjusted as a result of the conversion.

Attachment B

(Language below is inserted from Notice H-2019-09 PIH-2019-23 (HA))

1. **No Rescreening of Tenants upon Conversion.** Pursuant to the RAD Statute, at conversion, current households cannot be excluded from occupancy at the Covered Project based on any rescreening, income eligibility, or income targeting. With respect to occupancy in the Covered Project, current households in the Converting Project will be grandfathered for application of any eligibility criteria to conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion.36 Post-conversion, the tenure of all residents of the Covered Project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified in this Notice (e.g., rent phase-in provisions). For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, Section 8(o)(4) of the 1937 Act and 24 CFR § 982.201, concerning eligibility and targeting of tenants for initial occupancy, will not apply for current households. Once the grandfathered household moves out, the unit must be leased to an eligible family. MTW agencies may not alter this requirement. Further, so as to facilitate the right to return to the assisted property, HUD waives Section 8(o)(4) and 24 CFR § 982.201 to the extent necessary for this provision to apply to current public housing residents of the Converting Project that will reside in non-RAD PBV units or non-RAD PBRA units placed in a project that contain RAD PBV units or RAD PBRA units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR Part 983 for non-RAD PBV units and the PBRA requirements governing the applicable contract for non-RAD PBRA units.

2. **Right to Return.** See Section 1.4.A.5.b. and the RAD Fair Housing, Civil Rights, and Relocation Notice regarding a resident's right to return. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

3. **Phase-In of Tenant Rent Increases.** If, purely as a result of conversion, the amount a tenant would pay for rent and utilities under the PBV program (the tenant's TTP) would increase the tenant's TTP by more than the greater of 10 percent or $25, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is specifying alternative requirements for section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) to the extent necessary to allow for the phase-in of tenant rent increases. A PHA must create a policy setting the length of the phase-in period at three years, five years or a combination depending on circumstances and must communicate such policy in writing to affected residents. For example, a PHA may create a policy that uses a three year phase-in for smaller increases in rent and a five year phase-in for larger increases in rent. This policy must be in place at conversion and may not be modified after conversion.

   The method described below explains the set percentage-based phase-in a Project Owner must follow according to the phase-in period established. For purposes of this section "Calculated PBV TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058. If a family in a project converting from Public Housing to PBV was paying a flat rent immediately prior to conversion, the PHA should use the flat rent amount to calculate the phase-in amount for Year 1 (the first recertification following conversion), as illustrated below.

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP or flat rent and the Calculated PBV TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 50% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 3: Year 3 AR and all subsequent recertifications – Full Calculated PBV TTP

Five Year Phase in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP or flat rent and the Calculated PBV TTP
- Year 2: Year 2 AR and any IR prior to Year 3 AR – 25% of difference between most recently paid TTP and the Calculated PBV TTP • Year 3
- Year 3: Year 3 AR and any IR prior to Year 4 AR – 33% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 4 AR and any IR prior to Year 5 AR – 50% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 5 AR and all subsequent recertifications – Full Calculated PBV TTP

Please Note: In either the three-year phase-in or the five-year phase-in, once the Calculated PBV TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward. MTW agencies must also implement a three or five-year phase-in for impacted residents, but may alter the terms above as long as it establishes a written policy setting forth the alternative terms. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

HACSC will use a 3-year phase in period.

4. **Family Self Sufficiency (FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs**. Public Housing residents that are currently FSS participants will continue to participate in the PHA's FSS program. The PHA may continue to use any FSS funds already awarded to serve those FSS participants who live in units converted by RAD. At the completion of the FSS grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. If the PHA continues to run an FSS program that serves PH and/or HCV participants, the PHA will continue to be eligible (subject to NOFA requirements) to apply for FSS funding. Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY14 Appropriations Act (and was continued in the subsequent Appropriation Acts), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD.

However, PHAs should note that until provisions of the Economic Growth, Regulatory Relief, and Consumer Protection Act are implemented, there are certain FSS requirements (e.g., escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and PHAs must follow such requirements accordingly. All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR part 984 (current, or as amended), the participants' contracts of participation, and the alternative requirements established in the "Waivers and Alternative Requirements for the FSS Program" Federal Register notice, published on December 29, 2014, at 79 FR 78100. Further, upon conversion to PBV, if the PHA no longer has a public housing program, funds already escrowed for FSS participants shall be transferred into the HCV escrow account and be considered TBRA funds, thus reverting to the HAP account if forfeited by the FSS participant.

For information on FSS PIC reporting requirements for RAD conversions, see Notice PIH 2016-08 at http://portal.hud.gov/hudportal/documents/huddoc?id=pih201608.pdf.

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future ROSS-SC grants, nor will its residents be eligible to be served by future ROSS-SC grants, which, by statute, can only serve public housing residents. At the completion of the ROSS-SC grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. Please note that ROSS-SC grantees may be a non-profit or local Resident Association and this consequence of a RAD conversion may impact those entities. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

5. **Resident Participation and Funding.** In accordance with Attachment 1B, residents of Covered Projects with assistance converted to PBV will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

6. **Resident Procedural Rights.** The following items must be incorporated into both the Section 8 Administrative Plan and the Project Owner's lease, which includes the required tenancy addendum (HUD Form 52530-c), as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.

   a. **Termination Notification.** HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD and to non-RAD PBV units located at the Covered Project. In addition to the regulations at 24 CFR § 983.257 related to Project Owner termination of tenancy and eviction (which MTW agencies may not alter), the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall be:

    i. A reasonable period of time, but not to exceed 30 days:
        1. If the health or safety of other tenants, Project Owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
        2. In the event of any drug-related or violent criminal activity or any felony conviction;
    ii. Not less than 14 days in the case of nonpayment of rent; and
    iii. Not less than 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

b. **Grievance Process.** Pursuant to requirements in the RAD Statute, HUD is establishing additional resident procedural rights to comply with section 6 of the Act. For the termination of assistance and several other PHA determinations, PBV program rules require the PHA to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:
    i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(v),[40] an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
        1. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(v), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).
        2. For any additional hearings required under RAD, the Project Owner will perform the hearing.
    ii. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Project Owner or Contract Administrator.
    iii. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
    iv. The Project Owner provides opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

7. **Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead,

the rent will automatically rise to the appropriate rent level based upon tenant income at that time. Under the Housing Choice Voucher program, the EID exclusion is limited only to persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in 24 CFR § 5.617(b) limiting EID to disabled persons is waived. The waiver, and resulting alternative requirement, apply only to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants that move into the property following conversion or tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion due to loss of employment) is covered by this waiver. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

8. **Jobs Plus**. Jobs Plus grantees awarded FY14 and future funds that convert the Jobs Plus target projects(s) under RAD will be able to finish out their Jobs Plus period of performance unless significant relocation and/or change in building occupancy is planned. If either is planned at the Jobs Plus target project(s), HUD may allow for a modification of the Jobs Plus work plan or may, at the Secretary's discretion, choose to end the Jobs Plus program at that project. If the program is continued, the Project Owner must agree to continue to implement the program according to HUD's program requirements. Jobs Plus target public housing projects must enroll public housing residents into the Jobs Plus rent incentive, JPEID, prior to conversion. Any resident of the Covered Project that had not enrolled prior to conversion is not eligible to enroll in JPEID but may utilize Jobs Plus services that predominantly benefit the former public housing residents who resided at the target project at the time of RAD conversion. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the Covered Project may voluntarily utilize Jobs Plus services that predominantly benefit the former public housing residents who resided at the target project at the time of RAD conversion.

9. **When Total Tenant Payment Exceeds Gross Rent.** Under normal PBV rules, the PHA may select an occupied unit to be included under the PBV HAP Contract only if the unit's occupants are eligible for housing assistance payments (24 CFR § 983.53(c)). Also, a PHA must remove a unit from the contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the contract rent, plus any utility allowance, for the unit (i.e., the Gross Rent) (24 CFR § 983.258). Since the rent limitation under this Section of the Notice may result in a family's TTP equaling or exceeding the gross rent for the unit, for residents living in the Converting Project prior to conversion and who will return to the Covered Project after conversion, HUD is waiving both of these provisions and requiring that the unit for such families be placed on and/or remain under the HAP Contract when TTP equals or exceeds the Gross Rent. Further, HUD is establishing the alternative requirement that until such time that the family's TTP falls below the gross rent, the rent to the owner for the unit will equal the lesser of (a) the family's TTP, less the Utility Allowance, or (b) any applicable maximum rent under LIHTC regulations. During any period when the family's TTP falls below the gross rent, normal PBV rules shall apply. As necessary to implement this alternative provision, HUD is waiving the provisions of Section 8(o)(13)(H) of the Act and the implementing regulations at 24 CFR § 983.301 as modified by Section 1.6.B.5 of this Notice. In such cases, the resident is considered a participant under the program and all of the family obligations and protections under RAD and PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance

with the HQS requirements, apply as long as the unit is under HAP Contract. The PHA is required to process these individuals through the Form 50058 submodule in PIC. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

Unless a waiver is requested and approved as described below, any new admission to the Covered Project must meet the eligibility requirements at 982.201 and require a subsidy payment at admission to the program, which means their TTP may not equal or exceed the gross rent for the unit at that time. Further, a PHA must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that the PHA must reinstate the unit after the family has left the property. If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR §983.207 or, where "floating units" have been permitted, Section 1.6.B.10 of the Notice.

A PHA may request a waiver from HUD for the Covered Project in order to admit otherwise eligible families whose TTP exceeds gross rent and to allow the units those families occupy to remain under the HAP contract even if the PHA has not made a housing assistance payment for a family in 180 days. For a Covered Project that consists of 100 percent RAD PBV units, the PHA must demonstrate that a waiver is necessary in order to avoid an undue concentration of poverty at the Covered Project. A PHA may evidence this by providing data showing, for example:

- how eligible income-certified applicants on the waiting list must be passed over because their incomes result in zero HAP at admission causing a higher concentration of poverty at the covered project; or
- how the income of newly admitted families is causing a markedly higher concentration of poverty than the PHA's non-RAD PBV projects

The resulting impact on the property must be compared with the concentration of poverty at non-RAD PBV projects in the PHA's jurisdiction. If there are no non-RAD PBV projects in the PHA's jurisdiction, the PHA may alternatively demonstrate that the median income of families that could be admitted to the Covered Project is significantly lower than the median income of new admissions from the waiting list to the PHA's HCV program since the time of the RAD conversion.

For any other Covered Project, the PHA must demonstrate that the property contains specific units (e.g., units suitable for large families or accessible units) for which there are insufficient alternative housing opportunities.

If the waiver is approved, the new admission[s] families covered under the waiver are participants under the program and all of the family obligations and protections under RAD and PBV apply to the family, and the unit is subject to all program requirements. Such waiver requests should be submitted to the PIH Field Office in accordance with Notice PIH 2018-16.

10. **Under-Occupied Unit.** If a family is in an under-occupied unit under 24 CFR § 983.260 at the time of conversion, the family may remain in this unit until an appropriate-sized unit becomes available in the Covered Project. When an appropriate sized unit becomes available in the Covered Project, the family living in the underoccupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. In

order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the Covered Project, 24 CFR § 983.260 is waived for current residents remaining or returning to the Covered Project. MTW agencies may not modify this requirement. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

PBV: Other Miscellaneous Provisions

1. **Access to Records, Including Requests for Information Related to Evaluation of Demonstration.** PHAs and the Project Owner must cooperate with any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.

2. **Ongoing PHA Board Review of Operating Budget.** The Owner must submit to the administering PHA's Board the operating budget for the Covered Project annually. The PHA's Board must confirm that the Project Owner is making deposits into the Reserve for Replacement account in accordance with the RCC as well as assess the financial health of the Covered Project.

3. **Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** These sections have been moved to 1.4.A.13 and 1.4.A.14.

4. **Establishment of Waiting List**. 24 CFR § 983.251 sets out PBV program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents for the Covered Project will be admitted. These provisions shall apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies. The PHA shall consider the best means to transition applicants from the current public housing waiting list, including:

   a. Transferring an existing site-based waiting list to a new site-based waiting list.
   b. Transferring an existing site-based waiting list to a PBV program-wide or HCV program-wide waiting list.
   c. Transferring an existing community-wide public housing waiting list to a PBV program-wide or HCV program-wide waiting list, an option particularly relevant for PHAs converting their entire portfolio under RAD
   d. Informing applicants on a community-wide public housing waiting list how to transfer their application to one or more newly created site-based waiting lists.

   For any applicants on the public housing waiting list that are likely to be ineligible for admission to a Covered Project converting to PBV because the household's TTP is likely to exceed the RAD gross rent, the PHA shall consider transferring such household, consistent with program requirements for administration of waiting lists, to the PHA's remaining public housing waiting list(s) or to another voucher waiting list, in addition to transferring such household to the waiting list for the Covered Project.

To the extent any wait list relies on the date and time of application, the applicants shall have priority on the wait list(s) to which their application was transferred in accordance with the date and time of their application to the original waiting list.

If the PHA is transferring assistance to another neighborhood and, as a result of the transfer of the waiting list, the applicant would only be eligible for a unit in a location which is materially different from the location to which the applicant applied, the PHA must notify applicants on the waiting list of the transfer of assistance, and on how they can apply for residency at other sites.

If using a site-based waiting list, PHAs shall establish a waiting list in accordance with 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's public housing community-wide waiting list have been offered placement on the Covered Project's initial waiting list. In all cases, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing communitywide waiting list given the number of applicants, PHA resources, and admissions requirements of the projects being converted under RAD. A PHA may consider contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area; informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and with the obligation to provide meaningful access for persons with limited English proficiency (LEP).

When using a site-based waiting list, PHAs should consider waiting list and transfer policies that expand opportunities for tenants seeking an emergency transfer under, or consistent with, the PHA's Emergency Transfer Plan. This includes allowing for easier moves between assisted properties.

To implement this provision, HUD is specifying alternative requirements for 24 CFR § 983.251(c)(2). However, after the initial waiting list has been established, the PHA shall administer its waiting list for the Covered Project in accordance with 24 CFR § 983.251(c). To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

A PHA must maintain any site-based waiting list in accordance with all applicable civil rights and fair housing laws and regulations.

HACSC intends to utilize an elderly preference for 750 Bay Avenue.

5. **Mandatory Insurance Coverage.** The Covered Project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed project property.

6. **Future Refinancing.** Project Owners must receive HUD approval for any refinancing or restructuring of secured debt during the HAP Contract term to ensure the financing is consistent

with long-term preservation of the Covered Project. With respect to any financing contemplated at the time of conversion (including any permanent financing which is a conversion or take-out of construction financing), such consent may be evidenced through the RCC but HUD review of liens must be performed prior to execution.

7. **Administrative Fees for Public Housing Conversions During the Year of Conversion.** For the remainder of the Calendar Year in which the HAP Contract becomes effective (i.e., the "year of conversion"), RAD PBV projects will be funded with public housing funds. For example, if the project's assistance converts effective July 1, 2015, the public housing ACC between the PHA and HUD will be amended to reflect the number of units under HAP Contract, but will be for zero dollars, and the RAD PBV HAP Contract will be funded with public housing money for July through December 2015. Since TBRA is not the source of funds, PHAs should not report leasing and expenses into VMS during this period, and PHAs will not receive section 8 administrative fee funding for converted units during this time.

   PHAs operating an HCV program typically receive administrative fees for units under a HAP Contract, consistent with recent appropriation act references to "section 8(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Work Responsibility Act of 1998" and 24 CFR § 982.152(b). During the year of conversion mentioned in the preceding paragraph, these provisions are waived. PHAs will not receive Section 8 administrative fees for PBV RAD units during the year of conversion.

   After the year of conversion, the Section 8 ACC will be amended to include Section 8 funding that corresponds to the units covered by the Section 8 ACC. At that time, the regular Section 8 administrative fee funding provisions will apply.

8. **Choice-Mobility.** One of the key features of the PBV program is the mobility component, which provides that if the family has elected to terminate the assisted lease at any time after the first year of occupancy in accordance with program requirements, the PHA must offer the family the opportunity for continued tenant-based rental assistance, in the form of either assistance under the voucher program or other comparable tenant-based rental assistance.

   If as a result of participation in RAD a significant percentage of the PHA's HCV program becomes PBV assistance, it is possible for most or all of a PHA's turnover vouchers to be used to assist those RAD PBV families who wish to exercise mobility. While HUD is committed to ensuring mobility remains a cornerstone of RAD policy, HUD recognizes that it remains important for the PHA to still be able to use tenant-based vouchers to address the specific housing needs and priorities of the community. Therefore, HUD is establishing the following alternative requirement for PHAs where, as a result of RAD, the total number of PBV units (including RAD PBV units) under HAP Contract administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD: The alternative mobility policy provides that an eligible voucher agency would not be required to provide more than three-quarters of its turnover vouchers in any single year to the residents of Covered Projects. While a voucher agency is not required to establish a voucher inventory turnover cap, if such a cap is implemented, the voucher agency must create and maintain a waiting list in the order in which the requests from eligible households were received. In order to adopt this provision, this alternative mobility policy must be included in an eligible PHA's administrative plan.

To effectuate this provision, HUD is providing an alternative requirement to Section 8(o)(13)(E) of the Act and 24 CFR § 983.261(c). Please note that this alternative requirement does not apply to PBVs entered into outside of the context of RAD. MTW agencies may not alter this requirement.

9. **Reserve for Replacement.** The Project Owner shall establish and maintain a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items in accordance with applicable regulations. The reserve must be built up to and maintained at a level determined by HUD to be sufficient to meet projected requirements. For FHA transactions, Replacement Reserves shall be maintained in accordance with the FHA Regulatory Agreement. For all other transactions, Replacement Reserves shall be maintained in a bank account or similar instrument, as approved by HUD, where funds will be held by the Project Owner or mortgagee and may be drawn from the reserve account and used subject to HUD guidelines.

10. **Initial Certifications and Tenant Rent Calculations**. The Contract Administrator uses the family's public housing tenant rent (reflected on line 10f of the family's most recent HUD Form 50058) at the date of the conversion to calculate the PBV HAP and tenant rent until the effective date of the earlier of the family's first regular or interim recertification following the date of conversion. At the earlier of the family's first regular or interim recertification, the Contract Administrator will use the family's TTP based on the recertification and the HCV utility allowance (or the PBV site-specific utility allowance, if applicable) to determine the PBV HAP and tenant rent. This means that the family pays the same tenant rent as the family was paying under the public housing program until the earlier of first regular or interim reexamination following conversion, at which point the normally applicable PBV calculation for the tenant rent becomes effective. (Under the PBV program, the monthly HAP is the rent to owner minus the tenant rent, and the tenant rent is the family TTP minus the utility allowance.) To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same property as the Covered Project shall be subject to the terms of this provision. To effectuate this provision, HUD is waiving 24 CFR 5.601 and 983.3(c)(6)(iii).

Attachment C

The Housing Authority of the County of Santa Cruz (HACSC) is amending its definition of Significant Amendment and Substantial Deviation / Modification to be as follows:

Significant Amendment:

- Any change in policy which significantly alters the Authority's stated mission and the people the Authority serves, which includes admissions preferences and demolition or disposition activities. A significant amendment may also include anything that HUD requires to be a significant amendment. A significant amendment specifically excludes the following:
  - Changes to the unit mix or count of units converted under an approved conversion
  - Changes to the number of Restore Rebuild units designated for a specific property
  - Changes to the relocation plan produced as a result of an approved conversion
  - Changes to the financing structure for an approved conversion
  - Changes to the construction and rehabilitation plans for an approved conversion
  - Changes to the Capital Fund Budget as a result of each approved conversion, regardless of whether the proposed conversion will include the use of additional Capital Funds
  - The decision to convert to convert to either Project-Based Vouchers or Project-Based Rental Assistance under RAD

Substantial Deviation / Modification:

- Any change in policy which significantly alters the Authority's stated mission and the people the Authority serves, which includes admissions preferences and demolition or disposition activities. A substantial deviation / modification may also include anything that HUD requires to be a substantial deviation / modification. A substantial deviation / modification specifically excludes the following:
  - Changes to the unit mix or count of units converted under an approved conversion
  - Changes to the number of Restore Rebuild units designated for a specific property
  - Changes to the relocation plan produced as a result of an approved conversion
  - Changes to the financing structure for an approved conversion
  - Changes to the construction and rehabilitation plans for an approved conversion
  - Changes to the Capital Fund Budget as a result of each approved conversion, regardless of whether the proposed conversion will include the use of additional Capital Funds
  - The decision to convert to convert to either Project-Based Vouchers or Project-Based Rental Assistance under RAD

Certifications of Compliance with PHA Plan and Related Regulations ***(Standard, Troubled, HCV-Only, and High Performer PHAs)***	**U.S. Department of Housing and Urban Development** Office of Public and Indian Housing **OMB No. 2577-0226** **Expires: 09/30/2027**

PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations including PHA Plan Elements that Have Changed

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the ✔ 5-Year and/or ✔ Annual PHA Plan, hereinafter referred to as "the Plan," of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the PHA fiscal year beginning 07/01/2026, in which the PHA receives assistance under 42 U.S.C. 1437f and/or 1437g in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located (24 CFR § 91.2).
2. The Plan contains a signed certification by the appropriate State or local official (form HUD-50077-SL) that the Plan is consistent with the applicable Consolidated Plan, which includes any applicable fair housing goals or strategies, for the PHA's jurisdiction and a description of the way the PHA Plan is consistent with the applicable Consolidated Plan (24 CFR §§ 91.2, 91.225, 91.325, and 91.425).
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the Resident Advisory Board (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the way the Plan addresses these recommendations.
4. The PHA provides assurance as part of this certification that:
   i. The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
   ii. The changes were duly approved by the PHA Board of Directors (or similar governing body); and
   iii. The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours. Where possible, PHAs should make documents available electronically, for public inspection upon request.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment. The PHA ensured all notices and meetings provided effective communication with persons with disabilities and further provided meaningful language access for persons with Limited English Proficiency (LEP).
6. The PHA certifies that it will carry out the public housing program of the agency in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d—4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), Title II of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.), the Violence Against Women Act (34 U.S.C. § 12291 et seq.), and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of all HUD programs. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, the Violence Against Women Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of all HUD programs.
7. The PHA will affirmatively further fair housing, in compliance with the Fair Housing Act, 24 CFR § 5.150 et seq., 24 CFR § 903.7(o), and 24 CFR § 903.15, which means that it will take meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering

fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially or ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws (24 CFR § 5.151). Pursuant to 24 CFR § 903.15(c)(2), a PHA's policies should be designed to reduce the concentration of tenants and other assisted persons by race, national origin, and disability. PHA policies should include affirmative steps stated in 24 CFR § 903.15(c)(2)(i) and 24 CFR § 903.15(c)(2)(ii). Furthermore, under 24 CFR § 903.7(o), a PHA must submit a civil rights certification with its Annual and 5-year PHA Plans, except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document. The PHA certifies that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing.

8. For PHA Plans that include a policy for site-based waiting lists:
    - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module and/or its successor system: the Housing Information Portal (HIP) in an accurate, complete and timely manner (as specified in PIH Notice 2011-65);
    - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
    - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
    - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing; and
    - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR 903.7(o)(1).
9. The PHA will comply with the prohibitions against discrimination based on age pursuant to the Age Discrimination Act of 1975.
10. In accordance with the Fair Housing Act, the PHA will not base a determination of eligibility for housing on actual or perceived sexual orientation, or marital status and will not otherwise discriminate because of sex (including sexual orientation).
11. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, 'Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped' for people with physical disabilities.
12. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
13. The PHA will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implement the regulations at 49 CFR Part 24 as applicable.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
15. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
17. The PHA will keep records in accordance with 2 CFR 200.302 and facilitate an effective audit to determine compliance with program requirements.
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act**,** the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
19. The PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Financial Assistance, including but not limited to submitting the assurances required under 24 CFR §§ 1.5, 3.115, 8.50, and 107.25 by submitting an SF-424, including the required assurances in SF-424B or D, as applicable.

20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
21. All attachments to the Plan have been and will continue to always be available at all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA and, where possible, should be made available for public inspection in an electronic format.
22. The PHA certifies that it is following all applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

PHA Name	PHA Number/HA Code
Housing Authority of the County of Santa Cruz	CA072

✔ Annual PHA Plan for Fiscal Year 20 26

✔ 5-Year PHA Plan for Fiscal Years 20 25 - 20 30

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802)

Name of Executive Director: Jenny Panetta		Name Board Chairman: Annette Melendrez	
Signature:	Date:	Signature:	Date:

This information is collected to ensure compliance with PHA Plan, Civil Rights, and related laws and regulations including PHA plan elements that have changed.

Public reporting burden for this information collection is estimated to average 0.16 hours per year per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0226. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

AGENDA ITEM SUMMARY

MEETING DATE: September 23, 2026 **ITEM NUMBER:** 8

FROM: Exec. Director; Deputy Exec. Director

SUBJECT: Director's Report – September 23, 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 September 23, 2026 meeting. My phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

2021 Chanticleer – A contract with California Housing Partnership (CHP) has been executed for them to provide financial analysis and guidance. CHP specializes in affordable housing project that plans to apply for and secure Low Income Housing Tax Credits. The design team continues to coordinate architectural plans for the project to evaluate site security, HVAC systems, solar, EV charging, and utility metering. In early September the county issued the acceptance letter of the geotechnical investigation submitted by Rock Solid Engineering.

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. The contract with CBRE, Inc. has been executed for them 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.

Fair Market Rents – On May 18, 2026, the Housing Authority submitted a local Fair Market Rent study to HUD covering Santa Cruz and San Benito Counties. The study calculated 40th-percentile two-bedroom-equivalent gross rents of $4,474 for Santa Cruz County and $2,944 for San Benito County. The study used the same methodology employed in our previous local FMR studies. Consistent with the guidance we had received, our geographic sampling targets focused on obtaining an appropriate distribution of responses between Santa Cruz and San Benito Counties.

After the FY 2027 FMRs were published, staff noticed that HUD's FMRs for Santa Cruz County were lower than the data from the FMR study. HUD informed us that this year it had also evaluated whether the sample was geographically representative within each county, based primarily on the distribution of rental units by ZIP code. HUD is now applying greater scrutiny to all locally submitted studies, including reviewing geographic representation within an FMR area and adjusting results when the survey sample does not align with HUD's geographic benchmarks.

For Santa Cruz County, HUD determined that south county zip codes were underrepresented, and that north county zip codes were overrepresented. Once HUD weighted the records by zip code and applied their trend factor, HUD arrived at the following FMRs, which were published in the Federal Register.

Santa Cruz-Watsonville FMR Area	**Efficiency**	**1 BR**	**2 BR**	**3 BR**	**4 BR**
FY 2026 FMR	$3,179	$3,298	$4,214	$5,377	$5,659
FY 2027 FMR	$3,230	$3,390	$4,254	$5,531	$5,748
Change	+$51	+$92	+$40	+$154	+$89
Percent Change	1.6%	2.8%	0.9%	2.9%	1.6%

San Benito County FMR Area	**Efficiency**	**1 BR**	**2 BR**	**3 BR**	**4 BR**
FY 2026 FMR	$2,205	$2,212	$2,902	$3,944	$4,190
FY 2027 FMR	$2,279	$2,296	$3,004	$4,160	$4,555
Change	+$74	+$84	+$102	+$216	+$365
Percent Change	3.4%	3.8%	3.5%	5.5%	8.7%

Ultimately, the published FMRs increased modestly. The Santa Cruz two-bedroom FMR increased by $40, or approximately 1%, while the San Benito two-bedroom FMR increased by $102, or approximately 3.5%. HUD has agreed to consider supplemental data as an addendum to the original study. We are collecting additional rental data from the underrepresented areas. However, preliminary results indicate that rents in the additional sample are lower than the countywide study result. We therefore do not currently expect the supplemental data to increase the FMR and will evaluate the completed data carefully before determining whether submission would be beneficial.

The published FMRs remain sufficient for administering our voucher programs and maintaining appropriate payment standards. However, given the very small increase in the Santa Cruz FMR, we do not anticipate a significant increase in HCV renewal funding through the Renewal Funding Inflation Factor based on these results.

"Stay Ready" Emergency Preparedness Campaign – As we head into the winter season and prepare for the potential impacts of El Niño, the Housing Authority is launching a "Stay Ready" emergency preparedness campaign for the families and landlords we serve. All HCV families and participating landlords will receive emergency preparedness information and will be invited to a free Emergency Preparedness Workshop on October 14, presented in partnership with the Santa Cruz County Office of Response, Recovery & Resilience. The workshop will be offered on Zoom with live Spanish translation and will cover El Niño, flooding, severe weather, power outages, and practical steps families can take now to be better prepared before an emergency occurs.

We are also taking an additional step to support residents who live in Housing Authority-owned properties by providing each household with an emergency weather radio. These radios will help ensure residents can receive critical weather and emergency alerts, including during power or internet outages. Together, the radios, preparedness information, and community workshop are intended to help the people we serve take practical steps now to protect themselves, their families, and their homes before severe weather or another emergency occurs.

Emergency Housing Voucher Program – All EHV families have been informed that the Housing Authority will provide continued rental assistance through the Housing Choice Voucher Program once the EHV program expires. Many EHV families, and community partners, have expressed profound appreciation and relief at this news. At the same time, the Housing Authority continues to prioritize EHV households for PBV opportunities to reduce the number of EHV families that must be absorbed into the HCV program. The table below shows that since October 2025, there have been 80 program exits, with the majority of those being transfers to other rental assistance programs. Currently, 192 households remain in the program, with an additional 8 families expressing interest in moving into Harvey West Studios, and an additional 1 family in the process of transferring into another PBV turnover unit.

EHV Participation Status	Oct 25	Dec 25	Mar 26	Apr 26	May 26	June 26	July 26	Aug 26	Sept 26
Baseline EHV Participants as of 10/1/25	272	272	272	272	272	272	272	272	272
Currently Housed in EHV Program									
In Jurisdiction	256	247	239	235	232	231	229	196	179
Billable Port – Out of Jurisdiction	3	3	4	4	4	4	4	5	5
Total Housed in EHV Program	259	250	243	239	236	235	233	201	184
Out of Unit Searching with EHV									
In Jurisdiction	6	6	6	6	4	4	4	3	8
Searching Port – Out of Jurisdiction	2	2	3	3	3	2	2	0	0
Total Searching in EHV Program	8	8	9	9	7	6	6	3	8
Program Exits									
Expired / Voluntary Surrender	3	3	5	6	7	8	8	10	11
Deceased	1	3	3	3	3	3	3	3	5
Program Violation	1	2	2	2	2	2	2	2	3
Transfer to PBV/Mod Rehab	0	6	10	13	17	18	20	53	61
Total Program Exits	5	14	20	24	29	31	33	68	80
Current EHV Program Participants	**267**	**258**	**252**	**248**	**243**	**241**	**239**	**204**	**192**

Legislative and Funding Updates – The federal appropriations process for Fiscal Year 2027 remains 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. The House proposal includes approximately $35.4 billion for Tenant-Based Rental Assistance (TBRA), an increase of less than 1.5 percent over FY 2026. Housing advocates have expressed concern that this level may not be sufficient to fully renew existing voucher assistance, particularly when taking into account the additional cost of continuing assistance for families currently served through the

Emergency Housing Voucher (EHV) program. The House proposal would also reduce Tenant Protection Voucher (TPV) funding from approximately $601 million in FY 2026 to $300 million in FY 2027.

With final FY 2027 appropriations unlikely to be completed before the end of the federal fiscal year on September 30, Congress has enacted a temporary funding measure, or continuing resolution (CR), to provide additional time to complete the appropriations process. The CR funds the federal government through December 11, 2026, generally continuing current funding levels during that period. Of particular significance, the CR includes provisions intended to facilitate the transition of families currently assisted through the EHV program. Under the legislation, HUD has authority to provide Tenant Protection Vouchers to eligible EHV households that remain under lease as of September 30, 2026, with assistance to be provided before the end of calendar year 2026. This is an important development because EHV was created with a fixed amount of funding that is expected to be exhausted, and without another source of assistance, tens of thousands of EHV families nationwide could face the loss of rental assistance.

For the Housing Authority, this provision has the potential to substantially reduce or even eliminate the need to absorb our remaining EHV households directly into our existing Housing Choice Voucher Program at the end of 2026, but only if these provisions are included in the final 2027 appropriations. While it is encouraging that the CR provides an anomaly with funding and a mechanism to transition eligible EHV households to TPVs, it is only a temporary funding measure and it expires on December 11. Additional FY 2027 funding will be needed to sustain assistance for households transitioning from EHV.

We are closely monitoring final FY 2027 appropriations to determine whether Congress provides sufficient funding to sustain these vouchers in 2027 and beyond. Ultimately, Congress will need to enact full-year appropriations or another temporary funding measure before the current CR expires on December 11. Until final appropriations and HUD implementation guidance are available, staff will continue to plan conservatively and monitor potential impacts on Housing Authority funding and voucher utilization.