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County of Santa Cruz

REDEVELOPMENT AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 950604000

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

TOM BURNS, AGENCY ADMINISTRATOR

September 5, 2000

Agenda: September 19, 2000

Board of Directors
County of Santa Cruz Redevelopment Agency
701 Ocean Street
Santa Cruz, CA 95060

Amendment to Security Deposit / Last Month's Rent Guarantee Program Contract for Services

Dear Members of the Board:

The purpose of this letter is to approve the 2000-2001 contract with the Housing Authority of the County of Santa Cruz and recommend an increase in contract costs and the overall budget allocation for the Security Deposit/Last Month's Rent Guarantee Program.

Background

The Redevelopment Agency entered into a contract for services with the Housing Authority in April of 1999 to implement and fully administer the Agency's new Security Deposit/Last Month's Rent Guarantee Program for low income tenants in unincorporated County area. Since that time more than 55 security deposits and 3 last month's rent guarantees have been issued, totaling more than \$50,000 in Agency funds. As the central contact in the County, the Housing Authority administers similar programs for the City's of Santa Cruz, Capitola and Scotts Valley, and is now negotiating with the City of Watsonville to make security deposit grants/loans available County-wide.

To enhance the program's usefulness and participation by landlords, as directed by your Board in late January of 2000, the required housing quality standard unit inspections were replaced with a self-certification program. After receipt of handouts and housing standard guidelines, landlords and tenants can now jointly certify their units basic habitability.

Reasons for Cost Increase

After more than a year of program operation through June 1, 2000, the Housing Authority discovered that the current contract fee structure, which relies heavily on the number of actual security deposits issued, does not cover the cost of program administration. County-wide, there are about four public inquiries for every application submitted. Of the

approximately 1,100 applications submitted and processed by the Housing Authority last year, only 88 families who completed the process were able to find units and benefit from the program.

In addition, the cost to administer the program not only includes responding to general inquiries and processing applications and deposits, but also one-on-one assistance to families, landlords and advisors who need more specific information or have special needs. For the latter group, the Housing Authority provides a broad range of tenant/landlord counseling services and assistance which directly benefit the program.

The Housing Authority's staffing costs for all four jurisdictions is approximately \$57,000 per year. Of the 88 deposits issued County-wide, 50 were issued in the unincorporated County area representing about 57% of the total workload. They are proposing that the Agency pay the pro-rata share of County-wide program costs (\$32,500 per year) for the ten months remaining in this fiscal year which would total \$27,000. If the Housing Authority is successful in their negotiations with the City of Watsonville, the County's pro-rata costs may be reduced in the coming years. In the meantime, we will continue to explore any reasonable means for reducing administrative costs and will present those to your Board as part of a contract for this program for FY 2001-02.

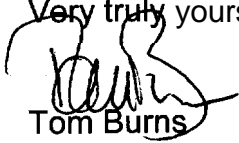
Recommendation

Given the great demand by low income families for security deposits (and to a much lesser degree, last month's rent guarantees) and the successful and comprehensive administration of the program by the Housing Authority thus far, we feel that the requested increase is reasonable and equitable. Furthermore, to provide deposits/guarantees at a higher level than last year, we recommend that the Agency's contract with the Housing Authority for the Last/Deposit Program, which is included on the Agency's continuing agreements list, be increased to \$77,000. This amount would provide approximately \$50,000 for deposits/guarantees and \$27,000 for program administration through the end of this fiscal year. Funds are available for this proposed cost increase in the Agency's current fiscal year budget.

It is therefore RECOMMENDED that your Board, as the Board of Directors for the Redevelopment Agency, take the following actions:

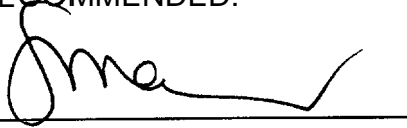
1. Approve the 2000-2001 contract with the Housing Authority of the County of Santa Cruz for administration of the Security Deposit/Last Month's Rent Guarantee Program for a total \$77,000; and
2. Authorize the Agency Administrator to sign the contract amendment increasing the administrative costs, effective September 1, 2000 (Attachment 1).

Very truly yours,



Tom Burns
Redevelopment Agency Administrator
TB:RMcB

RECOMMENDED:



Susan A. Mauriello
Redevelopment Agency Director

Attachments

cc. RDA
Housing Authority

Contract No. CO8 1804

AMENDMENT 3 TO AGREEMENT

The parties hereto agree to amend that certain Agreement dated February 24, 1999, and last amended on June 1, 2000, by and between the COUNTY OF SANTA CRUZ REDEVELOPMENT AGENCY and the Housing Authority of the County of Santa Cruz by amending "Exhibit B - Compensation" as follows:

1) The lump sum payment to CONTRACTOR, upon receipt of a payment request and monthly Progress Report, shall be increased from \$500.00 per month to \$2,700 per month, effective September 1, 2000.

2) The flat rate fee for each Security Deposit check issued shall be deleted.

3) The combined fiscal year amount of payments for services to CONTRACTOR and deposits of funds for security deposits and last month's rent guarantees shall be increased from \$50,000 to \$77,000.

All other provisions of said Agreement shall remain the same.

COUNTY OF SANTA CRUZ
REDEVELOPMENT AGENCY

BY _____
Agency Administrator


Date _____

CONTRACTOR:

By Maria Watson
for MARY JAMES, EXECUTIVE DIRECTOR
Date 9/1/00

Address: 2160 41ST AVE
CAPITOLA, CA 95010
Telephone: (831) 464-0170

APPROVED AS TO FORM:


Asst. County Counsel

DISTRIBUTION: County Administrative Office
Auditor-Controller
County Counsel
Redevelopment
Risk Management
Contractor

ATTACHMENTS: None

REQUEST FOR APPROVAL OF AGREEMENT

TO: Board of Supervisors
County Administrative Officer
County Counsel
Auditor-Controller

FROM:

REDEVELOPMENT

(Dept.)

(Signature)

9/5/00

(Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

COUNTY OF SANTA CRUZ REDEVELOPMENT AGENCY

1. Said agreement is between the _____ (Agency)

95010

and, HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41st Avenue, Capitola, CA (Name & Address)

2. The agreement will provide development & administration of the Agency's Security Deposit / Last Month's Rent Guarantee Program

3. The agreement is needed because the Agency cannot provide these services

4. Period of the agreement is from July 1, 2000 to June 30, 2001

5. Anticipated cost is \$ 77,000.00 (Fixed amount, Monthly rate, Not to exceed)

6. Remarks: Continuing Agreements, 01804 \$50,000.00
Amendment, 01804 27,000.00

Total: \$77,000.00

7. Appropriations are budgeted in 136120 (Index#) 9652 (Subobject)

FD 32/122/00 NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and have been encumbered. Contract No. C001804 Date 9/5/2000
are not will be

GARY A. KNUTSON, Auditor - Controller

By Linda Chou Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the Agency Administrator to execute the same on behalf of the County of Santa Cruz

Redevelopment Agency (Agency).

County Administrative Officer

Remarks:

BY _____ (Analyst) Date _____

Agreement approved as to form. Date _____

Distribution:

Bd of Supv. - White
Auditor-Controller - Blue
County Counsel - ~~Blue~~
Co. Admin. Officer - Canary
Auditor-Controller - Pink
Originating Dept. - Goldenrod

*To Orig. Dept. if rejected.

ADM 29 (6/95)

State of California)
County of Santa Cruz) ss

I _____ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,
State of California, do hereby certify that the foregoing request for approval of agreement was approved by
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered
in the minutes of said Board on _____

County Administrative Officer

BY _____ Deputy Clerk