

NEW HORIZONS AFFORDABLE HOUSING AND DEVELOPMENT INC.

AGENDA OF THE BOARD OF DIRECTORS MEETING

October 2, 2024

**New Horizons Board of Directors Meeting will take place immediately following the
Housing Authority of the County of Santa Cruz Board of Commissioners Special Meeting**

HOUSING AUTHORITY OFFICES

2160 41st Avenue, Capitola, CA 95010

1. Roll Call

NEW HORIZONS BOARD OF DIRECTORS:

Chairperson Providence Martinez Alaniz	4 year term expires, February 10, 2027
Vice Chairperson Annette Melendrez	4 year term expires, September 29, 2027
Commissioner Carol Berg	4 year term expires, May 21, 2025
Commissioner Ligaya Eligio	2 year term expires, October 18, 2024
Commissioner Silvia Morales	4 year term September 1, 2027
Commissioner Andy Schiffrin	4 year term expires, March 17, 2027
Commissioner Richard Schmale	2 year term expires, May 12, 2025

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

A. Minutes of the Meeting held August 28, 2024

Motion to Approve as Submitted

B. Purchase of 127 – 193 East Front Street, Casa Pajaro

Motion to Approve Recommendation authorizing the Executive Director to: (i) purchase the property located at 127 – 193 East Front Street from the Housing Authority of the County of Santa Cruz for \$21,200,000 and enter into all documents necessary to effectuate that purchase and to ensure the continued affordability of the project, including but not limited to grant deed, and regulatory agreement; and (ii) obtain the Loan from the Housing Authority and enter into all documents necessary to provide the Loan including but not limited to promissory note, and deed of trust.

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 Directors 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

7. Closed Session

- A. **Conference with Real Property Negotiations** (Government Code § 54956.8)
Property: 2021 Chanticleer Avenue, Santa Cruz County, APN 029-071-03
Agency Negotiation: Jenny Panetta, Secretary; Aaron Pomeroy, Treasurer
Negotiating Parties: Clifford Bixler
Under Negotiation: Price and terms of payment

8. Report on Closed Session

9. Adjournment

*New Horizons 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.

AGENDA ITEM NO. 1 Roll Call

Chairperson Martinez Alaniz called the meeting to order at 12:32 p.m. Members present Chairperson Martinez Alaniz, Directors Berg, Eligio, Morales, Schiffrin and Schmale

Members Absent

Vice Chairperson Melendrez

Staff Present

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

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

AGENDA ITEM NO. 3 Consent Agenda

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

Director Schiffrin moved for the approval of the Consent Agenda; Director Eligio seconded the motion and it as passed by the following vote:

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

Agenda Item 3A. Approved the Minutes of the Meeting June 26, 2024

Agenda Item 3B. Approved: The Board of Directors of Merrill Road Housing Corporation elect the same Chairperson and Vice-Chairperson that was elected at the August 28, 2024 Annual Housing Authority of the County of Santa Cruz Board of Commissioners meeting.

AGENDA ITEM NO. 4 Oral Communications

No emails with comments were submitted and no public members joined the meeting.

AGENDA ITEM NO. 5 Unfinished Business

None.

NEW HORIZONS AFFORDABLE HOUSING AND DEVELOPMENT INC MINUTES OF THE MEETING HELD AUGUST 28, 2024, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 7 Adjournment

The Board of Directors meeting was adjourned at 12:33 p.m. I hereby certify that these minutes were approved by the New Horizons Board of Directors, on the Second Day , of October 2024

Chairperson

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: October 2, 2024

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: Purchase of 127 – 193 East Front Street, Casa Pajaro

RECOMMENDATION: Approve Recommendation authorizing the Executive Director to: (i) purchase the property located at 127 – 193 East Front Street from the Housing Authority of the County of Santa Cruz for \$21,200,000 and enter into all documents necessary to effectuate that purchase and to ensure the continued affordability of the project, including but not limited to grant deed, and regulatory agreement; and (ii) obtain the Loan from the Housing Authority and enter into all documents necessary to provide the Loan including but not limited to promissory note, and deed of trust.

BACKGROUND SUMMARY:

Staff is recommending New Horizons Affordable Housing and Development (New Horizons) purchase 127 – 193 East Front Street, Casa Pajaro Apartments, APN: 017-262-49 and 017-262-50 from the Housing Authority of the County of Santa Cruz (Housing Authority).

Casa Pajaro Apartments is a 34 unit apartment complex, located in the City of Watsonville, which consists of seventeen 2-bedroom units and seventeen 3-bedroom units. The property received a loan from the United States Department of Agriculture (USDA) which matured in December 2023, and participated in the California Department of Housing and Community Development (HCD), Joe Serna, JR, Farmworker Housing Grant Program, which expired in August 2021. The USDA regulatory agreement remains in effect requiring the property to provide affordable for agriculture farmworker families. New Horizon will receive Project Based Vouchers from the Housing Authority to provide rental assistance to tenants.

In August 2024, the Housing Authority obtained a professional appraisal from Pacific Appraisers who determined an “as-is” market value of \$21,200,000. New Horizon intends to purchase the Property from the Housing Authority for the appraised value of \$21,200,000 and enter into various documents to effectuate that sale including but not limited to a purchase and sale agreement, grant deed, and escrow instructions.

The Housing Authority will also provide a loan to New Horizons in an amount not to exceed \$21,200,000 to assist in the acquisition of the project (the "Loan"). The Loan will be evidenced by a promissory note and secured by a deed of trust against the land and building as collateral.

RECOMMENDATION: Approve Recommendation authorizing the Executive Director to: (i) purchase the property located at 127 – 193 East Front Street from the Housing Authority of the County of Santa Cruz for \$21,200,000 and enter into all documents necessary to effectuate that purchase and to ensure the continued affordability of the project, including but not limited to grant deed, and regulatory agreement; and (ii) obtain the Loan from the Housing Authority and enter into all documents necessary to provide the Loan including but not limited to promissory note, and deed of trust.

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