

NEW HORIZONS AFFORDABLE HOUSING AND DEVELOPMENT INC.
AGENDA OF THE BOARD OF DIRECTORS MEETING
February 25, 2026

**New Horizons Board of Directors Meeting will take place immediately following the
Housing Authority of the County of Santa Cruz Board of Commissioners 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
Director Carol Berg	4 year term expires, May 21, 2029
Director Ligaya Eligio	2 year term expires, October 18, 2026
Director Silvia Morales	4 year term expires, September 1, 2027
Director Andy Schiffrin	4 year term expires, March 17, 2027
Director 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 December 10, 2025 Meeting

Motion to Approve

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

A. Memorandum of Understanding for Co-Development Partnership for 2021 Chanticleer Avenue

Receive Report

7. Closed Session

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.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE SPECIAL MEETING HELD DECEMBER 10 , 2025, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 1 Roll Call

Vice-Chairperson Melendrez called the meeting to order 11:03 a.m. Members present Vice-Chairperson Melendrez, Commissioners Berg, Eligio, Morales, Schiffrin and Schmale

Members Absent

Chairperson Martinez Alaniz

Staff Present

Jennifer Panetta, Tom Graham, Suzi Merriam 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 of Commissioners that there were no late additions or changes to the agenda. However, as architects from 10-Over Studio were in attendance to present an item on the New Horizons agenda, staff proposed that the Board first vote on the Consent Agenda, then open the Public Hearings for Agenda Item 6A. Following the closure of the Public Hearings, staff proposed recessing the Housing Authority meeting, convening the New Horizons meeting, and reconvening the Housing Authority meeting upon conclusion of the New Horizons meeting. The Board of Commissioners agreed to this proposed order of meetings.

AGENDA ITEM NO. 3 Consent Agenda

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

Commissioner Schiffrin moved for the approval of the Consent Agenda; Commissioner Berg seconded the motion and it was passed by the following vote:

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

Agenda Item 3A. Approved Minutes of the Special Meeting of November 12, 2025

Agenda Item 3B. Received Report Fiscal Year 2026 First Quarter Financials

AGENDA ITEM NO. 4 Oral Communications

None.

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AGENDA ITEM NO. 5A Unfinished Business

None.

AGENDA ITEM NO. 6A Public Hearings, Review and Consideration of Draft Amended Annual Submission to the 2025 Moving to Work (MTW) Supplement to the Annual PHA Plan for Fiscal Year 7/1/2025.

Vice-Chairperson Melendrez *opened* the Public Hearing for the Draft Amended Annual Submission to the 2025 Moving to Work (MTW) Supplement to the Annual PHA Plan for Fiscal Year 7/1/2025 at 11:05 a.m.

Public Hearing Comments:

No Public in attendance with comments.

Secretary Panetta informed the Board of Commissioners that an email was received with comments on the MTW Supplement. Secretary Panetta will summarize the comments for the Board during the staff report of Agenda Item 6A.

Vice-Chairperson Melendrez *closed* the Public Hearing for the Draft Amended Annual Submission to the 2025 Moving to Work (MTW) Supplement to the Annual PHA Plan for Fiscal Year 7/1/2025 at 11:05 a.m.

Vice-Chairperson Melendrez *opened* the Public Hearing for the MTW Safe Harbor Waiver at 11:06 a.m.

Public Hearing Comments:

No Public in attendance with comments.

Vice-Chairperson Melendrez *closed* the Public Hearing for the MTW Safe Harbor Waiver at 11:06 a.m.

End of Public Comments.

Vice-Chairperson Melendrez recessed the Housing Authority meeting at 11:07 a.m.

Vice-Chairperson Melendrez reconvened the Housing Authority meeting at 11:49 a.m.

Secretary Panetta reminded the Board that at the September 2025 Board of Commissioners meeting, the Board authorized staff to draft an MTW Supplement Amendment containing cost-saving waivers and to initiate a public comment period. The purpose of the proposed waivers is to reduce the risk of a financial shortfall in the Housing Choice Voucher (HCV) program in 2026 and beyond, to create financial capacity to absorb Emergency Housing Voucher (EHV) households prior to the expiration of EHV funding, and to maximize the number of households served through the HCV program.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE SPECIAL MEETING HELD DECEMBER 10 , 2025, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

Secretary Panetta reported that on October 24, 2025, the draft 2025 MTW Amended Annual Submission was posted on the HACSC website for public review and comment, and public notice was provided. Secretary Panetta further reminded the Board that at the November 2025 Board of Commissioners meeting, staff presented the draft MTW Supplement Amendment and reviewed the recommended waivers.

Secretary Panetta informed the Board that on December 3, 2025, staff reviewed the draft amended materials with the Resident Advisory Board (RAB), and RAB members expressed support for the proposed waivers. Secretary Panetta reported that staff is now recommending adoption of the resolution and certification. A discussion followed.

Secretary Panetta informed the Board of Commissioners that an email was received from Craig Johnson with Public Comment on the MTW Supplement after the Board packet was sent out. Secretary Panetta highlighted the portion of the email pertaining to the MTW Supplement.

Commissioner Schiffrin moved to Approve Draft of the Amended Annual Submission to the 2025 Moving to Work (MTW) Supplement to the Annual PHA Plan for Fiscal Year 7/1/2025. Adopt Resolution No. 2025-10 Authorizing Execution of *MTW Certification of Compliance with Regulations*; Board Resolution to Accompany the Amended Annual Submission to the 2025 Moving to Work (MTW) Supplement to the Annual PHA Plan for Fiscal Year 7/1/2025 for the Housing Authority of the County of Santa Cruz; Commissioner Berg seconded the motion and it was passed by the following vote:

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

AGENDA ITEM NO. 6B Resolution for 2021 Chanticleer Avenue, Santa Cruz County to increase the allocation of funds for a pre-development loan to New Horizons for expenses up to \$4,800,000

Deputy Executive Director Graham reminded the Board of Commissioners that at the February 2025 meeting the Board adopted Resolution 2025-02 authorizing Housing Authority staff to loan New Horizons the amount of \$1,240,000 to cover pre-development costs for 2021 Chanticleer Avenue outlining the specific services needed to accommodate the project design. Staff is now recommending the Housing Authority loan New Horizons the full anticipated costs for pre-development activities up-to \$4,800,000. A discussion followed.

Commissioner Schiffrin moved to Adopt Resolution 2025-11 to increase the allocation of MTW funds for a pre-development loan to New Horizons for expenses up-to \$4,800,000 for 2021 Chanticleer Avenue; Commissioner Berg seconded the motion and it was passed by the following vote:

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

AGENDA ITEM NO. 7 Written Correspondence
None.

AGENDA ITEM NO. 8 Report of Executive Director

Deputy Executive Director Graham gave the Board an update on the 2021 Chanticleer development.

Executive Director Panetta gave the Board a legislative update, including an update on Emergency Housing Vouchers.

Executive Director Panetta informed the Board of a HOME funding opportunity.

Executive Director Panetta informed the Board of proposed changes to the Continuum of Care (CoC) funding.

AGENDA ITEM NO. 9 Reports from Board Members
None.

AGENDA ITEM NO. 10A Closed Session
None.

AGENDA ITEM NO. 11 Report on Closed Session
None.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 12:37 p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Eighth of January 2025.

Chairperson of the Authority

ATTEST: _____
Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: February 25, 2026

ITEM NUMBER: 6A

FROM: Development Director

SUBJECT: Memorandum of Understanding for Co-Development Partnership for 2021 Chanticleer Avenue

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

New Horizon selected MidPen Housing Corporation (MidPen) as a co-development partner for the 2021 Chanticleer project in response to the Co-Development Partnerships Request for Qualifications. The partnership with MidPen to co-develop 2021 Chanticleer aligns with the agency’s goals under affordable housing supply. These goals are to establish a partnership on Low-Income Housing Tax Credits (LIHTC) project, to acquire LIHTC experience points, and to execute a co-development agreement with a development partner for 2021 Chanticleer in association with submitting a LIHTC application. MidPen was selected as the co-development partner due to their experience and competitive qualifications in securing LIHTC awards. This partnership will assist New Horizons in gaining the necessary LIHTC experience to apply for future tax credits for our own projects.

Staff have engaged in negotiations with MidPen to outline the business terms of a co-development partnership, which will be memorialized in the Memorandum of Understanding (MOU) and a Joint Development Agreement (JDA).

Memorandum of Understanding

The MOU will establish the framework for the co-development partnership for 2021 Chanticleer Avenue, including the partnership structure, compensation, financial guaranties, and long-term ownership. These terms, which were drafted with the assistance of general counsel, will be non-binding, and will guide the negotiation and preparation of the Joint Development Agreement (JDA), which will further define specific development roles and responsibilities, as well as compensation components such as partnership management and property management fees. The JDA will be presented to the Board of Directors for approval to authorize the Executive Director to enter into the JDA agreement with MidPen. Staff expect to execute the MOU with MidPen in March, and to present the JDA to the Board of Directors for approval in April or May of this year.

Under the proposed structure New Horizons and MidPen will form a California limited partnership as co-General Partners. New Horizons will serve as Managing General Partner to provide 60% of the development guaranties, assume property management responsibilities after three years of operation, and receive 60% of the Developer Fees. New Horizons will provide the acquired land for the project and will cover expenses associated with predevelopment services which include architectural services.

MidPen will serve as Administrative General Partner, provide 40% of the development guaranties, provide property management services for at least the initial three years of operation, and receive 40% of the developer fee. MidPen will provide technical assistance throughout the development project and LIHTC compliance services to ensure the project meets the necessary LIHTC requirements though development and initial property operations.

Based on investor requirements, the final allocation of guarantees and the timing of property management transition may be adjusted in the JDA to ensure tax credit syndication.

RECOMMENDATION: Receive report