



CITY OF SANTA CRUZ 2015-2020 CONSOLIDATED PLAN 2015-2016 ACTION PLAN



MAY 2015
Housing and Community Development
Economic Development Department



CITY OF SANTA CRUZ 2015-2020 CONSOLIDATED PLAN 2015-2016 Action Plan

May 2015

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Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

Eligible state and local governments receive annual block grants for community development and affordable housing from the U.S. Department of Housing and Urban Development (HUD). The City of Santa Cruz receives two of these grants directly from HUD including the Community Development Block Grant (CDBG) and the HOME Investment Partnerships Program (HOME). For each program, HUD describes a broad range of eligible activities. The City then determines which of these eligible activities will best serve the needs of their community. In order to determine the most pressing needs and develop effective, place-based market-driven strategies to meet those needs, HUD requires grantees to develop a Consolidated Plan.

This Plan lays out the City's overall investment strategies for the City's use of federal entitlement grant funds for affordable housing, homelessness, addressing poverty, and community development from July 1, 2015, through June 30, 2020. For each of the five years covered by the Plan, the City must develop an Action Plan that implements the Consolidated Plan through an allocation of funds. The Consolidated Plan and the Action Plan refer to Program Years (PY). PYs are referred to by the year in which the PY begins. This differs from the City's Fiscal Year (FY) which is referenced by the year when the FY ends. Accordingly, the 2015 PY referenced in these HUD documents is equivalent to the City's 2016 FY. For ease of inclusivity and better communication, this five year Consolidated Plan is referenced as the 2015-2020 Consolidated Plan, indicating the year in which it begins and then year it ends.

The Consolidated Plan was prepared in accordance with HUD's Office of Community and Planning Development (CPD) eCon Planning Suite which was introduced in 2012. Since that time, HUD requires grantees submit their Consolidated Plan and year one Annual Action Plan using the Consolidated Plan template through the Integrated Disbursement and Information System (IDIS), their nationwide database. The Plan is divided into six sections:

- Executive Summary
- The Process
- Needs Assessment
- Market Analysis
- Strategic Plan
- First-Year Action Plan

The content of the Plan in each of these sections is provided by responses to a series of questions. To clearly identify these HUD questions, they have been enclosed in a box. Most of the data tables in the Plan are populated with default data from the U.S. Census Bureau, most commonly using the 2007-2011 American Community Survey (ACS) and Comprehensive Housing Affordability Strategy (CHAS) data. If other sources of data are used, this is noted throughout the Plan.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment

Overview

The Needs Assessment identified several target populations:

- Very low-income renters.
- Extremely low-income and very low-income Hispanic households.
- Homeless persons.
- Low and very-low income senior homeowners.

The Needs Assessment also identified several types of projects or programs that are needed in the community:

- Affordable rental housing development especially for the lowest income brackets.
- Housing preservation.
- Permanent supportive housing for homeless persons/households.
- Homeless prevention and rapid rehousing programs.
- Pedestrian infrastructure improvements especially those focused on increased accessibility and safety.
- Youth Programs.
- Assistance for Hispanic community.

The four goals developed to address these needs include the following;

1. Increase and preserve the supply and quality of affordable housing.
2. Revitalize and maintain community facilities & infrastructure.
3. Support the 2015 County-wide Homeless Strategic Plan.
4. Provide community and supportive services.

Over the next five years the City anticipates funding projects related to all of these needs, although available funding resources, nonprofit partnerships and market conditions may ultimately limit the City's ability to fund some project types. Given the City's relatively small CDBG allocation, funds for will be supplemented from other sources.

3. Evaluation of past performance

Since the collapse of the financial market in the fall of 2008, it has been extremely difficult for the City, affordable housing developers, and community service providers alike to fund operating, program, or project costs. After several years of austerity, the City has financially stabilized and is now in a better position to continue to maintain a high level of support for non-profit community programs serving the City. However, on the affordable housing side, the picture is much less promising due to the State wide

termination of Redevelopment Agencies (RDAs). Over the past several decades, the City's RDA has been the primary force and source of funding for affordable housing development in the City.

That said, the City and its partners have had great success with the following projects:

- **Riverwalk Apartments:** 21 new affordable housing units were completed.
- **Habitat for Humanity:** 2 new self-help ownership units were constructed.
- **Neary Lagoon Apartments:** 95 existing affordable units were rehabilitated, extending their affordability for another 55 years.
- **Garfield Park Village:** Three out of four phases of this 95 unit senior housing rehabilitation project were completed, adding new restrictions for affordability for 55 years.
- **Trestle Bridge Connections Project:** improved pedestrian safety over a bridge connecting two parts of the City's NRSA.
- **Street Light Replacement Project:** More light and energy efficiency has been achieved through replacement of light fixtures on City owned poles throughout the low income areas of the City.
- **Homeless Services Center (HSC) Improvements:** Installation of a new security gate will improve both function and safety for the HSC Campus. Improvements at the Daytime Essential Services Center (DESC) include a new computer center, a community meeting room, and a 1-chair dental operative room operated by Dientes Community Dental Clinic. HSC also added a new Recuperative Care Center in partnership with the County Homeless Persons' Health Project.
- **On-Going Public Services:** CDBG funding services include: youth programs at the Teen Center and Beach Flats Community Center; Nueva Vista Community Resource Center (formerly Familia Center) serving the Hispanic Community; and the Day Center at HSC providing meals, showers, laundry, mail, case workers, and other services for the homeless.
- **Lower Ocean and Beach/South of Laurel Neighborhood Revitalization Strategy Area (NRSA):** Progress has been made on all but 7 of the 52 activities included in the NRSA Plan with almost half being completed.

4. Summary of citizen participation process and consultation process

The City offered numerous opportunities for participation and comment throughout the Consolidated Plan process. Specific activities included the following:

- **General Santa Cruz Community:** Feedback from the Santa Cruz community was solicited during three City Council meetings at various points in the Consolidated Planning process, including: (1) in November 2014 a discussion of priorities and needs; (2) in March 2015 a discussion of goals and strategies, and (3) in April 2015 a final public hearing on the Consolidated Plan.
- **Public Service Providers:** Two Community Program Committee meetings for non-profit service providers were held, one in October 2014 to discuss needs and one in February 2015 to discuss priorities.

- **Focused Outreach:** AS a part of an effort to broaden public participation in the Plan outreach was also included for special populations or groups:
 - **Neighborhoods:** Santa Cruz Neighbors hosted a meeting on November 19 for all neighborhood associations and residents in the City. Staff made a presentation followed by a discussion of needs and priorities.
 - **Hispanic Community:** Focused outreach to the Hispanic community was done through two in person surveys, one in the Beach Flats Park and one at Nueva Vista Community Resource Center (formerly Familia Center).
 - **Youth:** Outreach to youth occurred in a meeting at the Teen Center on November 19, 2014.
 - **Homeless:** Outreach to the homeless and organizations serving or advocating for the homeless occurred at a public forum held on December 4, 2014 for the County-wide strategic planning effort.
- **Consultations:** Consultations with specific service providers or other governmental agencies occurred primarily through telephone contacts or scheduled meetings. For homeless issues, this was done through the 2014 strategic planning efforts. For other City department needs, a “managed meeting” was held with directors or their representatives of various City departments.

The Consolidated Plan was available for public review during a public comment period from March 27 through April 27 and a 15 day comment period following Plan adoption by the City Council on April 28, 2015. A public notice announcing its availability was published in the Santa Cruz Sentinel on March 27.

5. Summary of public comments

No public comments were received during the 30-day public comment period. One comment was made during the April 28, 2015 Public Hearing that questioned the accuracy of the analysis regarding the need for rental housing. The speaker felt that the analysis did not show how student households impact income levels. The speaker also thought that the City needs rental housing, not starter homeownership housing.

6. Summary of comments or views not accepted and the reasons for not accepting them

No comments or views were not accepted.

7. Summary

Please see above.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Table 1 – Responsible Agencies

Agency Role	Name	Department/Agency
CDBG Administrator	SANTA CRUZ	Economic Development Department
HOME Administrator	SANTA CRUZ	Economic Development Department

Narrative

The City of Santa Cruz Housing and Community Development Division (HCD) under the Economic Development Department is the lead entity for overseeing the development of the Consolidated Plan. Following adoption of the Plan, HCD Staff are responsible for overseeing the HUD-funded programs/projects and act in an advisory manner to the City Council concerning planning, implementing and assessing CDBG and HOME programs/activities.

Consolidated Plan Public Contact Information

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PR-10 Consultation - 91.100, 91.200(b), 91.215(I)

Introduction

The consolidated planning process requires jurisdictions to reach out to and consult with other public and private agencies when developing the plan. The Plan includes a summary of the consultation process, including identification of the agencies that participated in the process.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).

The City of Santa Cruz actively coordinates with public and assisted housing providers, and partners with health, mental health and service agencies in a variety of ways as follows:

- Through the annual distribution of funding, City staff work with housing and service providers to develop eligible activities and projects that meet the needs of the community, prepare applications, provide technical assistance and project management to ensure successful programming.
- Economic Development Department staff are active in local and regional boards, committees and coordination efforts.
- HCD staff has established strong working relationships with local housing and service providers and regularly discuss housing and human service needs and to develop strategies to address these needs.
- Through the County Community Programs Funders Committee, all jurisdictions work together to coordinate local service provider activities and funding.
- Efforts to coordinate housing assistance and services for homeless and formerly homeless persons are coordinated through the Homeless Action Partnership (described below) and its members. In addition the City works in partnership with the County to employ a Downtown Outreach Worker who engages homeless individuals in the City's downtown and connects them to needed resources, services, and shelter, including long term housing if possible.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

Santa Cruz County's homeless Continuum of Care (CoC) includes the Cities of Santa Cruz, Watsonville, Capitola, and Scotts Valley, as well as large unincorporated areas. Leadership for the CoC is provided by the Homeless Action Partnership (HAP), a community-wide action team that meets regularly to implement the CoC. Currently, the full HAP includes 32 active organizational and individual members representing all geographic parts of the county, as well as the key functional sectors identified by the

CoC Interim Rule. The City is a member of the HAP Board and Executive Committee as well as participating in the broader HAP itself.

Other non-CoC community planning efforts that benefit homeless people and align with the HAP's objectives include the community-based Smart Solutions to Homelessness (and leadership council, public education, and business working groups), which grew out of a daylong Homelessness Summit held in December 2012; Project 180/2020, which is the local chapter of the national Zero: 2016 Campaign (formerly 100,000 Homes); and Project Homeless Connect Santa Cruz, which every year puts on a one-day event to connect homeless people directly to a plethora on needed services. These organizations came together in 2014 to develop a new homeless strategic plan, which is called *ALL IN - Toward A Home For Every County Resident, The Santa Cruz County Community Strategic Plan to Prevent, Reduce, and Eventually End Homelessness* (to be referred to as "ALL IN"). This Plan will provide the framework for coordination of efforts to address the needs of homeless persons over the time period covered by this Consolidated Plan. One of the recommendations of this Plan is to develop an improved coordinated entry system, which is the task of the HAP's Coordinated Entry Working Group.

Describe consultation with the Continuum of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

Under the direction of HAP, local homeless service providers utilize the Homeless Management Information System (HMIS) which is a computerized data collection tool designed to capture client level information over a period of time. Implementation of HMIS at the local level is overseen by Community Technology Alliance (CTA) utilizing the policies and procedures set by the HAP, around client confidentiality, data collection, computer entry, and reporting. Under this Consolidated Plan, HMIS will also be used for measuring outcomes. The HAP has a standing HMIS committee that addresses all HMIS issues, bringing discussions as needed to the full HAP for policy and other significant decisions.

Santa Cruz County agencies compete annually for Emergency Solutions Grant (ESG) funds through a State of California-administered ESG program. During regular HAP meetings, members discuss applications and make recommendations for funding based on past performance, consistency with priorities and needs identified in the current the approved strategic plan on homelessness (All In), and an applications likely success in being funded. For federal Continuum of Care funding, the HAP's Board of Directors serves as the ranking and rating committee for the CoC's application.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

The following Table provides information on outreach to some of the organizations who participated in the process of developing this Consolidated Plan. This list includes key organizations that represent certain areas of the Plan.

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	CITY OF SANTA CRUZ
	Agency/Group/Organization Type	Local Government/Jurisdiction
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Infrastructure and Community Facilities
	How was the Agency consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Meeting with City Department Heads to identify infrastructure and other community priorities. The outcome was confirmation of the need for housing, parks, and pedestrian improvements.
2	Agency/Group/Organization	COUNTY OF SANTA CRUZ- Planning Department
	Agency/Group/Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment; Lead-based Paint Strategies; Homelessness Strategy; Homeless Needs for Chronically homeless; Families with children; Veterans; Unaccompanied youth; Non-Homeless Special Needs; and Anti-poverty Strategy
	How was the Agency consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations were done in meetings (primarily regarding homelessness issues) and telephone conference calls (special needs/housing). The anticipated outcome is better coordination, sharing of data, and for the homeless; on-going coordination under the HAP as well as the production of the strategic plan to end homelessness.
3	Agency/Group/Organization	COUNTY OF SANTA CRUZ- Health Services Agency
	Agency/Group/Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Lead-based Paint Strategies; Homelessness Strategy; Homeless Needs for Chronically homeless; Families with children; Veterans; Unaccompanied youth; and Non-Homeless Special Needs
	How was the Agency consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations for all but the homeless sections was done as telephone interviews. For homeless issues, HSA participated in the strategic planning efforts so consultation was made as a part of that group effort.

4	Agency/Group/Organization	NUEVA VISTA FAMILY RESOURCE CENTER (Familia Center)
	Agency/Group/Organization Type	Service Provider for the Hispanic Community and Youth Services.
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs; Anti-poverty Strategy; and Hispanic Community & NRSA needs.
	How was the Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations by telephone and site visits. Center also conducted surveys for the Con Plan. The outcome is improved link with Hispanic community's needs. Center is also an active part of the City's Community Programs and attended Community Program public meetings.
5	Agency/Group/Organization	HOMELESS SERVICES CENTER (HSC)
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homelessness Strategy; Homeless Needs for Chronically homeless; Families with children; Veterans; Unaccompanied youth
	How was the Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	On-site interviews; meetings (HAP and strategic planning process) and telephone conference calls. The anticipated outcome is better coordination and provision for the homeless community. HSC is also an active part of the City's Community Programs and attended Community Program public meetings.
6	Agency/Group/Organization	ENCOMPASS COMMUNITY RESOURCE CENTER
	Agency/Group/Organization Type	Services-Persons with Disabilities; HIV/AIDS; and Homeless.
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless; Non-Homeless Special Needs
	How was the Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations by phone and in group meetings regarding homelessness. Encompass is also an active part of the City's Community Programs and attended Community Program public meetings. Outcome is better awareness of mental illness and its impact on chronic homeless and difficulties regarding permanent housing.
7	Agency/Group/Organization	SENIOR NETWORK SERVICES (SNS)
	Agency/Group/Organization Type	Services – Seniors.
	What section of the Plan was addressed by Consultation?	Homelessness Strategy; Non-Homeless Special Needs
	How was the Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations by phone regarding senior issues. SNS is also an active part of the City's Community Programs and attended Community Program public meetings. Outcome is greater awareness of and inclusion of key issues affecting seniors regarding housing. . Information influenced senior strategies the county-wide "All In" strategic homeless plan.

8	Agency/Group/Organization	HABITAT FOR HUMANITY
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment; Non-Homeless Special Needs; Housing
	How was the Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations in meetings regarding affordable housing. Outcome is potential development of a program for vulnerable seniors at risk of homelessness that also creates additional rental housing through an ADU program.
9	Agency/Group/Organization	MID PENINSULA THE FARM
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment; Non-Homeless Special Needs.
	How was the Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations in meetings regarding affordable housing. Outcome is potential expansion of affordable and special needs housing opportunities.
10	Agency/Group/Organization	HOUSING AUTHORITY OF SANTA CRUZ COUNTY
	Agency/Group/Organization Type	Public Housing Authority
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment; Non-Homeless Special Needs; Housing; Homelessness Strategy; Homeless Needs for Chronically homeless and Veterans
	How was the Agency/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations with HA staff; mutual participation in the HAP and the county-wide homeless strategic plan. Outcome is better coordination between HA and City, especially regarding creating access to housing by the chronically homeless and veterans as well as preservation of existing affordable units by encouraging renewal of HUD contracts.
11	Agency/Group/Organization	CALIFORNIA RURAL LEGAL ASSISTANCE (CRLA)
	Agency/Group/Organization Type	Fair Housing
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs; Housing Needs Assessment
	How was the Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Annual consultation with CRLA to collect data and identify potential issues. Anticipated outcome is on-going tracking of any issues so the City may address issues in a timely manner.

12	Agency/Group/Organization	SANTA CRUZ COUNTY CONTINUUM OF CARE/HAP
	Agency/Group/Organization Type	Regional Organization
	What section of the Plan was addressed by Consultation? 701 Ocean Street	Homelessness Strategy; Homeless Needs for Chronically homeless; Families with children; Veterans; Unaccompanied youth
	How was the Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations occur through participation in the HAP members. Activities include attending HAP meetings. Anticipated outcomes include improvements such as coordinated entry, continual improvement of data collection and reporting through HMIS, and implementation of "All In", the new homeless strategic plan.
13	Agency/Group/Organization	CHAMBER OF COMMERCE OF SANTA CRUZ COUNTY
	Agency/Group/Organization Type	Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing 725 Front
	How was the Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Staff attended special meetings regarding housing issues related to economic development and overall health of the community. Anticipated outcome is that the Chamber will become an advocate for housing development that is affordable to the areas workforce.

Identify any Agency Types not consulted and provide rationale for not consulting

Not applicable since all relevant agencies and organizations were consulted during in the Consolidated Plan process. No Agency Types were knowingly excluded.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Table 3 – Other local / regional / federal planning efforts

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
"All In" Plan	Continuum of Care/County of Santa Cruz as lead Organization.	The City of Santa Cruz is a financial partner and participant in CoC. Appropriate goals and strategies from the Plan have been incorporated into the Consolidated Plan Strategic Plan Section. The <i>ALL IN</i> Plan has also been incorporated as an appendix to this Consolidated Plan.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Housing Element	City of Santa Cruz	The Housing Element focuses on the provision of a variety of housing options for all income groups, with special attention for lower and moderate income households. The Consolidated Plan housing goals and objectives are consistent with the Housing Element

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(I))

The County of Santa Cruz provides regional planning and coordination of services and service providers. The three areas of greatest interface with the County include: (1) the County’s Human Resources Agency (HRA) which is responsible for all welfare programs; (2) the Health Services Agency (HSA) which protects and improves the health of the people in Santa Cruz County by providing programs in Environmental Health, Public Health, Medical Care, Substance Abuse Prevention and Treatment, and Mental Health; (3) the Housing Division of the Planning Department which is responsible for the HAP (coordinates meetings, planning efforts, homeless counts, and the Continuum of Care application); and (4) the District Attorney’s Office, which provides Fair Housing counseling and assistance to the community. In addition, the City works with the County on commissions and boards such as the Regional Transportation Commission and the Workforce Investment Board of Santa Cruz County. The HAP and regional commissions and boards typically involve all other jurisdictions within Santa Cruz County.

The City works with the State Housing and Community Development (HCD) Department on housing related projects that are funded by the state.

Housing Authority of the County of Santa Cruz (HA): The HA provides support for the City’s housing programs on an as needed basis, including qualifying tenants and buyers in the City’s affordable housing programs and manages the City’s Security Deposit Program. In addition to the Section 8 Program, which provides rental assistance to very-low income residents, the HA also manages the regional Mortgage Credit Certificate (MCC) Program. HA staff has also provided invaluable assistance in preserving “at-risk” affordable housing by helping the City encourage renewal of the HUD contracts for the City’s Project Based Section 8 developments.

PR-15 Citizen Participation

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The City offered several opportunities for participation and comment throughout the Consolidated Plan process, including the following:

- A general public meeting to solicit feedback on community priorities and needs was held on November 18, 2014. The meeting was advertised on the City's website and posted on the City Council bulletin board. Staff also sent emails to interested persons and organizations.
- Santa Cruz Neighbors hosted a meeting on November 25 for all neighborhood associations and residents in the City. Staff made a presentation followed by a discussion of needs and priorities.
- Two Community Program Committee meetings were held on October 9, 2014 and February 23, 2015. Although these are primarily for non-profit service providers, the public was welcome. These were both noticed meetings.
- Focused outreach to the Hispanic community was done through two in person surveys, one conducted on November 1, 2014 in the Beach Flats neighborhood in conjunction with a community clean-up and the second was done on February 11, 2015 at Nueva Vista Community Resource Center (formerly Familia Center) at one of their bi weekly food distributions.
- Outreach to youth was done through a meeting at the Teen Center on November 19, 2014.
- Outreach to the homeless and organizations serving or advocating for the homeless was done at a public forum held on December 4, 2014 for the County-wide strategic planning effort.
- The Consolidated Plan goals and priorities were discussed in a noticed and advertised City Council Public Hearing held on March 24, 2015.

The Consolidated Plan was available for public review during a public comment period from March 27 through April 27. A public notice announcing its availability was published in the Santa Cruz Sentinel on March 27. The second public hearing on the Consolidated Plan was held at the April 28, 2015 City Council meeting. This was followed by a 15 day public review period beginning on April 29, 2015 through May 13, 2015.

Broadened public outreach to specific populations, including the Hispanic community, youth, neighborhood associations, and the homeless (through the "All In" planning process) provided invaluable input that helped identify Plan goals and priorities such the need for pedestrian/ sidewalk improvements, increased lighting in some neighborhoods, and youth programs.

The table below summarizes community outreach. Note that there were no comments that were not accepted. Therefore, for special considerations this column was eliminated from the Plan.

Table 4 – Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received
1	2 Public Meetings	CPC and Service Providers	For each meeting, notices are sent out to over 50 nonprofit Service Providers. A total of about 50-60 people attended the two meetings.	Jobs for teens in summer; providing staffing for “Affordable Care Act”; purchase housing for transitional or low income housing.
2	CC Discussion	Community & Elected Officials	About 30-40 persons attended the meeting.	More housing, preservation of housing; Summer Youth job training; ADA improvements; Campgrounds for homeless emergency shelters, tenant counseling,
3	Neighborhood Organizations Meeting	Residents	50-60 attendees	Safety, infrastructure, and need for facility for homeless camping, “tiny homes”, and vehicles.
4	2 Surveys	NRSA/Hispanic residents of Beach Flats and Lower Ocean Street neighborhoods	30-40 participants	Teen Programs, Jobs, Safety including more lighting; and ADA ramps at intersections.
5	Teen Center	Members of Teen Center	8-10 teens plus staff	Need for more teen facilities located throughout City; transportation needs to schools; improved sidewalks to schools.
6	Community Meeting on Homelessness	Community wide	80-100 participants	#1 issue was need for more affordable housing in general and permanent supportive housing designated for chronically homeless.
7	Public Hearings	Advertised – all community	20 persons.	Support of Con Plan and Action Plan noted. Comment about representation of student population in analysis.

Needs Assessment

NA-05 Overview

Needs Assessment Overview

The Needs Assessment of the Consolidated Plan, in conjunction with information gathered through consultations and the citizen participation process, provides a picture of the City's needs related to affordable housing, special needs housing, community development, and homelessness. The Needs Assessment includes the following sections:

NA-05: Overview

NA-10: Housing Needs Assessment

NA-15: Disproportionately Greater Need –Housing Problems

NA-20: Disproportionately Greater Need –Severe Housing Problems

NA-25: Disproportionately Greater Need –Housing Cost Burdens

NA-30: Disproportionately Greater Need –Discussion

NA-35: Public Housing

NA-40: Homeless Needs Assessment

NA-45: Non-Homeless Special Needs Assessment

NA-50: Non-Housing Community Development Needs

The Needs Assessments identify those needs with the highest priorities which in turn informs decisions about the Strategic Plan. Most of the data tables in this Needs Assessment section are populated with default data from the Comprehensive Housing Affordability Strategy (CHAS) developed by the Census Bureau for HUD based on 2007-2011 American Community Survey (ACS) Census. HUD periodically receives "custom tabulations" of data from the U.S. Census Bureau that are largely not available through standard Census products. These data, known as the CHAS data, demonstrate the extent of housing problems and housing needs, particularly for low income households. Other sources are noted throughout the Plan.

NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

Summary of Housing Needs

The availability of affordable housing continues to be the greatest housing need facing the City of Santa Cruz. The National Association of Home Builders (NAHB) consistently ranks Santa Cruz within the five least affordable places to buy a home in the United States. As a result only 43% of households in the City of Santa Cruz own their own home versus a state wide average of 57% and a national average of 66%. Even though over 53% of households in Santa Cruz are renters, it is equally difficult for renters to afford a home in Santa Cruz. In 2014, the National Housing Conference (NHC) ranked Santa Cruz as the sixth most expensive rental housing market in the nation. In Santa Cruz County it takes a wage of \$30.71 per hour to be able to afford a 2 bedroom apartment. To look at it in another way, members of a household would need to work the equivalent of 3.8 minimum wage jobs in order to afford the rent for a two bedroom home.

The pre-populated HUD charts below, indicate that over 45% of households in the City of Santa Cruz are considered to be cost burdened, meaning that they more than 30% of their gross household income toward housing cost. This 30% demarcation is the standard typically used when defining what is considered affordable.

The greatest cost burden falls on extremely low-income renters. Over 75% of extremely low income renter households have a cost burden of over 50%. This relationship reverses for extremely low income seniors. Almost 300 extremely-low income elderly homeowners are cost burdened by spending more than 50% of their household income on housing versus about 190 extremely low income elderly renters. Elderly homeowners make up about 38% of all extremely low income homeowners that are cost burdened by housing at over 50% of household income.

HUD's analysis considers two additional housing problems including: (1) units with physical defects (lacking complete kitchen or bathroom); and (2) overcrowded conditions (housing units with more than one person per room). Although almost 50% of the City's housing stock is over 50 years old, the data does not show that the City has a significant number of units with physical defects as defined by HUD. Neither does the data show a significant overcrowding issue.

Analysis in all tables below is based on US Census Comprehensive Housing Affordability Strategy (CHAS) data.

TABLE 5 - HOUSING NEEDS ASSESSMENT DEMOGRAPHICS

Demographics	Base Year: 2000	Most Recent Year: 2011	% Change
Population	54,593	59,022	8%
Households	20,368	21,626	6%
Median Income	\$50,605.00	\$63,110.00	25%

TABLE 6 - TOTAL HOUSEHOLDS TABLE

TYPE OF HOUSEHOLD	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households *	4,760	2,825	3,420	2,240	8,380
Small Family Households *	695	860	1,225	840	4,190
Large Family Households *	125	100	140	95	390
Household contains at least one person 62-74 years of age	500	390	460	380	1,195
Household contains at least one person age 75 or older	420	370	390	340	330
Households with one or more children 6 years old or younger *	215	348	549	250	610
* the highest income category for these family types is >80% HAMFI					

Describe the number and type of single person households in need of housing assistance.

The 2010 Census indicates that single person households constitute over 30%, or 5,955 out of the 20,368 households in the City of Santa Cruz. This percentage is over a 2% higher than that reported in the 2000 census. This increase is consistent with the national trend. According to the latest Current Population Survey from the US Census Bureau, the proportion of Americans who live alone has grown steadily since the 1920s, increasing from roughly 5% then to 27% in 2013.

While some attribute the steady increase to breakdown in the American family, a new study of census data suggests that economic factors play a larger role. This study points out that the rate of living alone tends to grow fastest during periods of economic expansion. Other causes for the phenomenon are improving health and finances among older people, and younger people waiting longer to get married. It is also not surprising that the City of Santa Cruz with its large student population exceeds the national average.

Most people who live alone in the City are women (54%). A notable difference between men and women who live alone is in their age. Over 20% of women who live alone are 65 years or older compared with about 8% of the men who live alone and are 65 and older. The median income of a single person household in the City of Santa Cruz is about \$31,560. With the average cost of a studio or one bedroom apartment being about \$1,200 and \$1,700 respectively, even at the low end of these rents, the average single person household might spend close to 50% of their income on housing. Single person households need more affordable housing options. To provide this, the City might encourage more small rental unit developments be built in the City.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

Disabled Persons: According to the 2010 Census, about 12,170 persons or 21% of persons 5 years of age or older in the City of Santa Cruz has a disability. The Census Bureau defines disability as a long-lasting physical, mental, or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning or remembering. This condition can also impede a person from being able to go outside the home alone or work at a job or business. This number includes persons with hearing, vision, cognitive, ambulatory, self-care, and independent living difficulties. Generally speaking ambulatory, self-care, and independent living difficulties may generate a need for special housing provisions. These three categories represent about 6 percent (3,665 persons) of the total population. Persons experiencing ambulatory difficulties are the largest of these categories (1,725+ persons).

In addition to affordable housing, the need to provide accessible sidewalks and eliminate other barriers for handicapped persons has been identified by the community and the City Council as an activity that should be included in this 2015 Consolidated Plan.

Victims of Domestic Violence: Domestic violence is defined as a pattern of coercive and abusive behaviors that is perpetrated by adults or adolescents against current or former intimate partners in order to control the partner. Of those involved in organizations related to domestic violence, most would agree that power and control are central issues of domestic violence. Behaviors may include repeated physical abuse, psychological abuse, or sexual assault, all of which typically progress in severity, leading to social isolation and potentially resulting in death. Psychological abuse may include behaviors such as: threats, physical or social isolation, ridicule, financial constraints, or public humiliation. The majority of assaults on current or former partners are committed against women.

The 2014 Santa Cruz County Community Assessment Project Survey indicated that about 6.8% of residents in Santa Cruz County have a family member or friend that experienced domestic abuse in the prior year. The City has a Commission for the Prevention of Violence Against Women with a vision to end sexual assault, sexual harassment, and domestic violence in the City of Santa Cruz through prevention, programs, and public policy. Their mission is to collaborate with local stakeholder partners and law enforcement to ensure best practices to respond to and prosecute violent crimes against women. The City helps support Walnut Avenue Women's Center and the Women's Crisis Support-Defensa de Mujeres which provide assistance to this population.

National studies have shown that family violence, whether in the past or present, is a common factor among a high percentage of homeless families and single women. Based upon the 2013 Applied Research (ASR) Homeless Survey for the County, it is estimated that countywide there are about 200 homeless adults and children who have recently suffered from domestic violence. Based on the proportion of homeless persons residing in the City, it can be deduced that about 75 of these adults and children are in the City of Santa Cruz. These numbers are likely to be significantly undercounted. Data regarding domestic violence among or toward homeless people is difficult to gather because people often are afraid, or do not want, to answer questions about family violence.

Other: While victims of dating violence, sexual assault and stalking do exist within the City of Santa Cruz, they do not typically involve housing itself. Although unique situations may arise that require a housing solution, there is no way that the City can anticipate or plan for these exceptions.

Housing Needs Summary Tables

TABLE 7 – HOUSING PROBLEMS TABLE

TYPE OF HOUSING PROBLEM / ISSUE	NUMBER OF HOUSEHOLDS BY PERCENT AREA MEDIAN INCOME (AMI)									
	RENTER					OWNER				
	0-30%	>30-50%	>50-80%	>80-100%	Total	0-30%	>30-50%	>50-80%	>80-100%	Total
Substandard Housing - Lacking complete plumbing or kitchen facilities	200	120	55	20	395	25	0	0	15	40
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	50	60	70	0	180	0	15	25	4	44
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	100	105	110	0	315	0	0	30	30	60
Housing cost burden greater than 50% of income (and none of the above problems)	2,520	610	255	0	3,385	425	245	270	325	1,265
Housing cost burden greater than 30% of income (and none of the above problems)	355	965	925	345	2,590	85	70	275	340	770
Zero/negative Income (and none of the above problems)	240	0	0	0	240	40	0	0	0	40

TABLE 8 – HOUSING PROBLEMS 2

NUMBER OF HOUSING PROBLEMS / ISSUES	NUMBER OF HOUSEHOLDS BY PERCENT AMI									
	RENTER					OWNER				
	0-30%	>30-50%	>50-80%	>80-100%	Total	0-30%	>30-50%	>50-80%	>80-100%	Total
Having 1 or more of four housing problems*	2,870	890	485	20	4,265	450	255	325	370	1,400
Having none of four housing problems*	870	1,245	1,850	930	4,895	295	430	755	915	2,395
Household has negative income, but none of the other housing problems*	240	0	0	0	240	40	0	0	0	40

*Housing Problems = Households with one or more Severe Housing Problems which include: Lacks kitchen or complete plumbing, severe overcrowding, and/or severe cost burden.

TABLE 9 – COST BURDEN > 30%

TYPE OF HOUSEHOLDS	NUMBER OF HOUSEHOLDS BY PERCENT AMI							
	RENTER				OWNER			
	0-30%	>30-50%	>50-80%	Total	0-30%	>30-50%	>50-80%	Total
Small Related	440	650	580	1,670	90	80	250	420
Large Related	95	55	15	165	20	4	45	69
Elderly	315	150	150	615	230	155	140	525
Other	2,370	915	505	3,790	170	85	150	405
Total need by income	3,220	1,770	1,250	6,240	510	324	585	1,419

TABLE 10 – COST BURDEN > 50%

TYPE OF HOUSEHOLDS	NUMBER OF HOUSEHOLDS BY PERCENT AMI							
	RENTER				OWNER			
	0-30%	>30-50%	>50-80%	Total	0-30%	>30-50%	>50-80%	Total
Small Related	375	250	105	730	90	80	155	325
Large Related	95	0	0	95	20	0	0	20
Elderly	190	25	40	255	170	125	60	355
Other	2,140	355	110	2,605	145	40	55	240
Total need by income	2,800	630	255	3,685	425	245	270	940

TABLE 11 – CROWDING INFORMATION – 1/2

TYPE OF HOUSEHOLDS	NUMBER OF HOUSEHOLDS BY PERCENT AMI									
	RENTER					OWNER				
	0-30%	>30-50%	>50-80%	>80-100%	Total	0-30%	>30-50%	>50-80%	>80-100%	Total
Single family households	120	140	70	0	330	0	15	55	4	74
Multiple, unrelated family households	15	0	85	0	100	0	0	0	24	24
Other, non-family households	15	20	20	0	55	0	0	0	0	0
Total need by income	150	160	175	0	485	0	15	55	28	98

TABLE 12 – CROWDING INFORMATION – 2/2

TYPE OF HOUSEHOLDS	NUMBER OF HOUSEHOLDS BY PERCENT AMI							
	RENTER				OWNER			
	0-30%	>30-50%	>50-80%	Total	0-30%	>30-50%	>50-80%	Total
Households with Children Present								

What are the most common housing problems?

Cost of housing is by far the largest and most critical problem facing the Santa Cruz community. The National Association of Home Builders (NAHB) consistently ranks Santa Cruz within the five least affordable places to buy a home in the United States. As a result only 43% of households in the City of Santa Cruz own their own home versus a state wide average of 57% and a national average of 66%. Even though over 53% of households in Santa Cruz are renters, it is equally difficult for renters to afford a home in Santa Cruz. In 2014, the National Housing Conference (NHC) ranked Santa Cruz as the sixth most expensive rental housing market in the nation. In Santa Cruz County it takes a wage of \$30.71 per hour to be able to afford a 2 bedroom apartment. Or to look at it in another way, members of a household would need to work the equivalent of 3.8 minimum wage jobs in order to afford the rent for a two bedroom home.

The housing affordability problem is reflected in Tables 3 through 7 above. Almost 48% of renters (5,975) spend more than 30% of their household income on housing. Over half of those households (3,385) spend more than 50% of their household income on housing. Although the number is lower for home owners, over 22% spend over 30% of their incomes on housing. Families who pay more than 30 percent of their income for housing are considered to be cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. This 30% demarcation is the standard typically used when defining what is considered affordable for a household to pay for housing.

The City is also faced with an aging housing stock and how best to maintain it. Nearly 50% of the City's housing was built over 50 years ago. Nationally, 27% of the housing units in the U.S. and 39% in central cities, are over 50 years old, an age at which substantial rehabilitation is often needed. Despite the age of the City's housing, according to the US census less than 1% of renter and owner households are substandard or lacking complete plumbing facilities. Additionally, only 1.7% of households (375) experienced over-crowded conditions defined as 1.01 persons per room, and only 1% of households experience (224) severe overcrowding defined as more than 1.50 persons per room. Overcrowding does not appear to be a major issue in the City.

Are any populations/household types more affected than others by these problems?

The greatest cost burden falls for extremely low-income residents. It is estimated that 18% of all households in the City of Santa Cruz are extremely low-income. Of these households, 68% spend over 50% of their household income on housing and 78% spend over 30% on housing. Renters are more burdened than homeowners where 23% of all renters spend over 30% of their household income on housing versus 5 % of all homeowners. This trend reverses with the elderly. Almost 350 low income elderly homeowners are cost burdened by spending more than 30% of their household income on housing versus about 250 elderly renters. Elderly homeowners make up 38% of all low income homeowners that are cost burdened by housing.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

There are 6,715 extremely low-income households (incomes at 30% AMI or less) living in the Santa Cruz. About 5% of these extremely low income households have one or more children 6 years old or younger. The high incidence of cost burden among extremely low-income households compared to other income groups puts these households at special risk for homelessness. Often one unfortunate circumstance, such as job loss or an unexpected car repair will cause these households to miss rent or mortgage payments, increasing the likelihood of homelessness.

Single-parent households, particularly female-headed families with children, often require special consideration and assistance because of their greater need for affordable housing and accessible day care, health care, and other supportive services. Female-headed families with children are a particularly vulnerable group because they must balance the needs of their children with work responsibilities, often while earning limited incomes. About 34% of families with one or more persons under 18 years old are headed by a single parent. Over 70% of single parent households are headed by females. About 24% of single female-headed families with children 18 years or under had incomes below the poverty level. This increases to 35% for single female-headed families with children under 5 years old.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

Santa Cruz does not have specific estimates of the at-risk population beyond those available through the Census, American Community Survey and other publically available data sets.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

For Santa Cruz residents, the primary housing characteristic that is linked to instability and an increased risk of homelessness is severe cost burden (paying more than 50% of gross income toward housing costs). Paying a large percentage of income toward housing, especially for lower-income households, leaves insufficient resources to meet other basic needs, such as food and clothing, and provides little ability to amass savings. Unemployment, underemployment, or an unexpected medical bill or car repair could force these households to make difficult choices. The Community Action Board does have an Emergency Assistance Program that will help tenants pay rent if they are at risk of eviction, when funding is available. The City does provide funding assistance for this program in target areas within the City.

Discussion

The City's primary housing issues continue to be providing housing that is affordable to the lowest-income segments of the population, finding ways to preserve its aging housing stock and preserving low cost housing solutions for its elderly population.

A shortage of resources at the federal and state levels plus the loss of the City's Redevelopment Agency have created challenges for the City in producing housing affordable to extremely low-income and low-income households.

The populations projected to have the highest need over the next five years are extremely low-income and very low-income renter households and low income elderly homeowners.

NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction: Disproportionately Greater Housing Need

For purposes of this analysis housing needs are defined as having one or more of the following four housing problems: 1) Living in housing that lacks complete kitchen facilities, 2) Living in housing that lacks complete plumbing facilities, 3) More than one person per room (overcrowded), and 4) Cost burden greater than 30 percent of Area Median Income (AMI). HUD requires that cities consider “disproportionate need” as a part of examining housing needs.

A disproportionately greater need exists when the members of racial or ethnic group at an income level experience housing problems at a greater rate (10 percentage points or more) than the income level as a whole. For example, assume that 60% of all low-income households within a jurisdiction have a housing problem and 70% of low-income Hispanic households have a housing problem. In this case, low income Hispanic households have a disproportionately greater need. Although the purpose of the following tables is to analyze the relative level of need for each race and ethnic category, the data also provide information for the jurisdiction as a whole that can be useful in describing overall need.

TABLE 13 - DISPROPORTIONALLY GREATER NEED 0 - 30% AREA MEDIAN INCOME (AMI)

POPULATION BY RACE AND ETHNICITY AT 0%-30% OF AREA MEDIAN INCOME	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,490	650	160
White	2,475	570	130
Black / African American	130	30	0
Asian	170	0	15
American Indian, Alaska Native	30	0	0
Pacific Islander	0	0	0
Hispanic	475	30	0

TABLE 14 - DISPROPORTIONALLY GREATER NEED 30 - 50% AMI

POPULATION BY RACE AND ETHNICITY AT 30%-50% OF AREA MEDIAN INCOME	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,180	595	0
White	1,470	550	0
Black / African American	70	15	0
Asian	235	20	0
American Indian, Alaska Native	20	0	0
Pacific Islander	0	0	0
Hispanic	335	14	0

TABLE 15 - DISPROPORTIONALLY GREATER NEED 50 - 80% AMI

POPULATION BY RACE AND ETHNICITY AT 50%-80% OF AREA MEDIAN INCOME	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,180	1,215	0
White	1,565	1,075	0
Black / African American	0	0	0
Asian	80	40	0
American Indian, Alaska Native	10	15	0
Pacific Islander	0	0	0
Hispanic	425	30	0

TABLE 16 - DISPROPORTIONALLY GREATER NEED 80 - 100% AMI

POPULATION BY RACE AND ETHNICITY AT 80%-100% OF AREA MEDIAN INCOME	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,050	890	0
White	770	720	0
Black / African American	0	0	0
Asian	10	30	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	240	124	0

Discussion: Disproportionally Greater Housing Need by Race and/or Ethnicity

In the City of Santa Cruz, of Hispanic households experience disproportionate needs at all earning levels. The greatest disproportionality is seen in the low income (50% to 80% AMI) earning level.

Although statistically Asian and American Indian/Alaskan Native decent households also show disproportionately greater needs, when considering other factors these statistics do not raise the same level of concern as for Hispanic households. The majority of Asian households (65%) are enrolled in college or graduate school. It may be assumed that once they leave school their earning power will be significantly higher. For American Indian and Alaskan Native decent, the size of this group (30 households) in total is too small to draw statistically meaningful conclusions.

A summary of findings for each income group are as follows. These income groups are based on household incomes as a percent of the area median income (AMI) for Santa Cruz County.

Extremely Low-Income Households (0 - 30% AMI): Overall, 81% of extremely low-income households experienced one or more of the four housing problems with Hispanic Households (94%) facing a disproportionately greater need for housing.

Very Low-Income Households (30 - 50% AMI): 79% of very low-income households experience one or more of the four housing problems with Hispanic Households (96%) facing a disproportionately greater need.

Low-Income Households (50 - 80% AMI): 64% of low income households experience one or more of the four housing problems with Hispanic Households (93%) facing a disproportionately greater need.

Low/Moderate-Income Households (80 - 100% AMI): 54% of low income households experience one or more of the four housing problems with Hispanic Households (66%) facing a disproportionately greater need.

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205

(b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction: Severe Disproportionally Greater Housing Need
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Tables 13-16 below reveal disproportionately greater need for **severe** housing problems by household race or ethnicity. The difference between the tables shown below and those in the preceding section is the severity of the problems in two of the four categories.

- Severe overcrowding is defined as having more than 1.5 persons per room. This does not include bathrooms, porches, foyers, halls, or half-rooms. (Previous data reflected overcrowding by more than 1 person per room.)
- Severe Housing Cost Burden is defined as exceeding 50% of household income being used for housing costs. (Previous data reflected a housing cost burden with more than 30% of household income being used for housing costs.)

TABLE 17 – SEVERE HOUSING PROBLEMS 0 - 30% AMI

Household Categories with Incomes at 0%-30% of AMI	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,155	985	160
White	2,260	780	130
Black / African American	90	70	0
Asian	170	0	15
American Indian, Alaska Native	30	0	0
Pacific Islander	0	0	0
Hispanic	430	75	0

TABLE 18 – SEVERE HOUSING PROBLEMS 30 - 50% AMI

Household Categories with Incomes at 30%-50% of AMI	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,460	1,315	0
White	1,065	955	0
Black / African American	35	50	0
Asian	140	115	0
American Indian, Alaska Native	20	0	0
Pacific Islander	0	0	0
Hispanic	190	150	0

TABLE 19 – SEVERE HOUSING PROBLEMS 50 - 80% AMI

Household Categories with Incomes at 50%-80% of AMI	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	795	2,605	0
White	555	2,080	0
Black / African American	0	0	0
Asian	25	95	0
American Indian, Alaska Native	10	15	0
Pacific Islander	0	0	0
Hispanic	170	290	0

TABLE 20 – SEVERE HOUSING PROBLEMS 80 - 100% AMI

Household Categories with Incomes at 80%-100% of AMI	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	420	1,520	0
White	205	1,285	0
Black / African American	0	0	0
Asian	0	40	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	185	185	0

Discussion: Severe Disproportionally Greater Housing Need

In the City of Santa Cruz 73% of extremely low-income, 53% of very low-income, 23% of low income, and 22% of low/moderate income households experienced one or more severe housing problems. As previously explained when taking all factors into consideration the only statistically significant group that appears to experience disproportionately more severe housing needs are Hispanic households. This is true in all income categories except very low-income households. In this instance, Hispanic households proportionally experience about the same level of burden as all other households in the City. The greatest disproportional difference in severe housing needs for Hispanic households occurs in the low/moderate income (80%-100% AMI) category.

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

Unlike the previous sections on disproportionate need, Table 17 only identifies the extent of housing cost burden by race or ethnicity. As previously noted, a household housing cost burden occurs when a household spends more than 30% of its gross income on housing expenses. In addition to mortgages or rents, these housing expenses include utilities and for homeowners insurance and property taxes.

TABLE 21 – GREATER NEED: HOUSING COST BURDENS AMI

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	10,835	5,130	5,615	160
White	9,165	3,805	4,175	130
Black / African American	105	150	125	0
Asian	405	230	305	15
American Indian, Alaska Native	35	0	60	0
Pacific Islander	0	0	15	0
Hispanic	900	790	695	0

Data Source: 2007-2011 CHAS

The fact that almost 50% of City of Santa Cruz households had a housing cost burden (according to 2011 CHAS data) speaks volumes about the critical affordable housing need facing the City of Santa Cruz. Although it is true that proportionally a greater number of Hispanic households are included in this category, (62% vs 50%), it is fair to say that all race and ethnic groups have a crucial need for affordable housing.

When looking at households that spend over 50% of their household income on housing costs, there is no one group that stands out. About one-quarter of all households in the City of Santa Cruz experienced a severe housing cost burden with Hispanic households exceeding this percentage only by a margin of 4% (29% vs 25%).

NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

See the Discussion in sections NA-15, NA-20 and NA-25.

If they have needs not identified above, what are those needs?

In addition to the need for affordable housing, many Hispanic residents live in neighborhoods with higher crime rate and greater safety concerns. Through surveys completed for the Consolidated Plan these areas indicate residents have indicated a need for increased lighting. In addition, residents also noted that sidewalk improvements adding accessibility at intersections would also help the walkability for both disabled persons using wheel chairs and mothers with strollers. In terms of community services, they also expressed an on-going need for youth programs.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

Hispanics represent the largest minority population in the City of Santa Cruz (19%). It is important to note that the Hispanic Population (52%) is generally scattered throughout the City (defined by census tract block groups where Hispanics represent less than 29% of the population). That said, the highest concentrations/percent of Hispanic population (over 70% of households) are found in four areas: (1) the Beach Flats neighborhood (66%); (2) in the Downtown/Pacific Avenue south of Cathcart Street area; (3) in Seabright Neighborhood between Seabright Avenue and Clinton, Owen, and Murray Streets (43%); and (4) the neighborhood west of Ocean Street and north of Water Street (41%). The lower Ocean Street neighborhood south of Broadway and west of Ocean Street, which is generally perceived as having a high Hispanic population, falls slightly below the 40% mark at 37% Hispanic. The Beach/South of Laurel and Lower Ocean Neighborhood Revitalization Strategy Area (NRSA) includes the two block groups with the two highest concentrations of Hispanic residents plus Lower Ocean Street neighborhood.

The next highest minority group is Asians who represent 8% of the residents of Santa Cruz. As previously noted, the majority of residents who consider themselves Asian (65%) are enrolled in college or graduate school suggesting that a portion of this Asian population may be transient, having come to Santa Cruz to attend UCSC.

NA-35 Public Housing – 91.205(b)

Introduction

Public housing programs within Santa Cruz County are managed by the Housing Authority of the County of Santa Cruz County (“the HA”). The City retains no control over their programs or housing units. However a representative of the City sits on the 7 person HA Board of Commissioners. The HA owns 234 public housing units within the County of Santa Cruz, including 32 units within the City. It also offers the Housing Choice Voucher Program (formerly known as Section 8) to City residents. Tenant-based Housing Choice Vouchers provide a monthly subsidy to low-income tenants renting market-rate units. About 25% (1,030) of the 4,458 vouchers available in the County are used within the City of Santa Cruz.

Tables 18-22 below show the number of public housing units and housing choice vouchers used in the County of Santa Cruz and the characteristics of tenants using these vouchers. The HA does not provide separate data at a City level in its reports to HUD. Table 18 includes data provided by the HA. Tables 19-22 include data provided by HUD from the Public and Indian Housing (PIH) Information Center.

TABLE 22 - PUBLIC HOUSING BY PROGRAM TYPE

CATEGORY	NUMBER OF UNITS BY PUBLIC HOUSING AND HOUSING CHOICE VOUCHER PROGRAM TYPE								
	Certificate	Mod-Rehab	Public Housing	VOUCHER PROGRAMS			SPECIAL PURPOSE VOUCHER		
				Total	Project based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
Number of Vouchers	0	51	226	4,252	39	3,993	51	77	85

*includes Non -Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

TABLE 23 – CHARACTERISTICS OF PUBLIC HOUSING RESIDENTS BY PROGRAM TYPE

CATEGORY	PROGRAM TYPE								
	Certificate	Mod-Rehab	Public Housing	VOUCHER PROGRAMS			SPECIAL PURPOSE VOUCHER		
				Total	Project based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	
Average Annual Income (\$)	0	12,530	24,517	17,954	14,442	18,172	11,446	15,677	
Average length of stay	0	6	10	7	3	7	0	5	
Average Household size	0	1	3	2	2	2	1	3	
# Homeless at admission	0	12	0	106	3	88	5	3	
# of Elderly Program Participants (>62)	0	18	38	882	23	824	15	2	
# of Disabled Families	0	14	39	1,160	5	1,048	21	14	
# of Families requesting accessibility features	0	51	226	4,252	39	3,993	51	77	
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0	
# of DV victims	0	0	0	0	0	0	0	0	

TABLE 24 – RACE OF PUBLIC HOUSING RESIDENTS BY PROGRAM TYPE

RACE CATEGORY	PROGRAM TYPE								
	Certificate	Mod-Rehab	Public Housing	VOUCHER PROGRAMS			SPECIAL PURPOSE VOUCHER		
				Total	Project based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
White	0	50	214	4,028	38	3,786	45	73	79
Black/African American	0	1	5	118	1	109	5	1	2
Asian	0	0	6	57	0	53	0	1	3
American Indian/Alaska Native	0	0	1	45	0	41	1	2	1
Pacific Islander	0	0	0	4	0	4	0	0	0
Other	0	0	0	0	0	0	0	0	0

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

TABLE 25 – ETHNICITY OF PUBLIC HOUSING RESIDENTS BY PROGRAM TYPE

RACE CATEGORY	PROGRAM TYPE								
	Certificate	Mod-Rehab	Public Housing	VOUCHER PROGRAMS			SPECIAL PURPOSE VOUCHER		
				Total	Project based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
Hispanic	0	18	167	2,177	8	2,107	7	32	21
Not Hispanic	0	33	59	2,075	31	1,886	44	45	64

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units.

The HA waiting lists for public housing and housing choice vouchers stand at 7145 and 12,372 households respectively. The waiting list for vouchers has been closed since 2007.

The following summarizes characteristics of those households currently on the current public housing waiting list:

- 26% are households with at least one disabled member.
- 3% have an elderly head of household.
- 86% are white, 10% are Black, and 7% other races. (Total % exceeds 100% because households could have reported multiple races).
- 63% are Hispanic.
- Most were looking for a one-(63%) or two-(26%) bedroom units.

In partnership with the County of Santa Cruz and the Santa Cruz 180/2020 Campaign, a local non-profit homeless advocacy organization, over the last two years the HA has been providing a limited local preference for disabled or medically vulnerable homeless persons. Currently, a maximum of 120 households per year may receive the preference.

In addition the HA has worked in partnership with HUD and the U.S. Department of Veterans Affairs to implement new HUD Veterans Affairs Supportive Housing (HUD VASH) vouchers to help end veteran homelessness through permanent supportive housing. Santa Cruz County is considered high need community.

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

The most immediate need for residents holding housing choice voucher is for market rate rents to stabilize. Currently rental rates in Santa Cruz County are rising at such a degree that some tenants are losing their housing because of rent increases. For those searching for housing, it is difficult to find available units that fit the limits of the Housing Choice Voucher. Since 2010 (2010-2014), rental housing rates have increased by over 21%. During that time rents for 2 bedroom/2 bath units increased by about 27%. (Source: RealFacts 1/29/2015)

How do these needs compare to the housing needs of the population at large

Housing costs in general and the rapid rise in housing rents impacts the entire community and remain on the most critical issue facing low and moderate income residents.

Discussion

Given the great need for affordable housing in the City of Santa Cruz, lower-income City households would benefit from additional affordable housing resources including public housing units and increased access to housing choice vouchers. High rents and the scarcity of affordable rental housing continue to be one of the largest issues facing the City.

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

Every two years in January, the County of Santa Cruz Continuum of Care conducts a comprehensive point-in-time (PIT) homeless count and needs assessment survey. The most recent biannual homeless census (January 2013) showed a countywide increase of 27% in the PIT countywide homeless population (3,536 persons). For the City of Santa Cruz alone, there was a 21% increase in the 2013 PIT count going from 1,070 in 2011 to 1,351 homeless persons in 2013. This increase clearly reflected the long-term impact of the economic recession that began in 2008 which raised unemployment and foreclosure rates throughout the county, and contributed to an already acute lack of affordable rental housing in Santa Cruz County. In part, the increase also reflected more intensive counting methodologies.

On the other hand, the 2013 PIT count indicated that the chronically homeless individual population decreased 2% to 989 people counted in one night down from the 1,004 individuals in 2011. HUD defines “chronically homeless” as a disabled adult who has been homeless for at least one year or 4 times in the past 3 years. This definition includes chronically homeless persons in families.

Lack of affordable housing is a critical barrier to ending chronic homelessness. Santa Cruz County has one of the most expensive rental housing markets in the nation making it extremely difficult to find affordable housing; moreover, only 289 existing beds of permanent housing are set aside for chronically homeless persons. Eighty-two percent of the County homeless population, or 2,895 people, remain unsheltered (sleeping on the streets, in parks, in camps, in vehicles, or in other places unfit for human habitation. This includes 883 chronically homeless individuals without access to appropriate housing. Clearly, housing the many visible, chronically homeless persons in the City remains a huge challenge.

The 2013 PIT study also included a random survey, consisting of one-on-one interviews with 369 sheltered and unsheltered homeless people. This survey revealed a varied homeless population needs.

As detailed by the homeless survey, 72% of respondents were living in Santa Cruz County when they became homeless, 68% had at least one disabling condition, such as serious mental illness or physical illness, 69% received some form of government assistance (most notably Food Stamps), and 6% of women and men were currently experiencing domestic violence. About 66% of the homeless people were males, 32% females, and 2% transgender. Approximately 15% of all homeless people were in families with at least one child under the age of 18. Demographically, 43% of survey respondents identified as White/Caucasian, 35% Hispanic/Latino, and 5% Black/African American.

As to the cause of homelessness, 2013 survey respondents (as did 2011, 2009, 2007, and 2005 respondents) most frequently cited loss of job as their primary cause of homelessness; this cause was named in approximately 33% of the responses. Other common causes of homelessness were inability to afford rent (18%), alcohol or drug use (16%), eviction (12%), mental health issues (10%), and family or domestic violence (9%).

In the case of chronically homeless individuals, the primary need is for permanent supportive housing. More accessible and frequent employment opportunities remain a key critical need, as are adequate health care and available supportive services. Key obstacles to becoming permanently housed include inability to afford rent, inability to find affordable housing, lack of employment, lack of sufficient income from any source, no savings or money for move-in costs, poor credit history, and lack of transportation.

Number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

HOMELESS NEEDS ASSESSMENT ESTIMATES (Based on methodology described below.)						
Population	# of Persons Experiencing Homelessness on a Given Night		# Experiencing Homelessness Each Year	# Becoming Homeless Each Year	# Exiting Homelessness Each Year	#of Days Persons Experience Homelessness
	Unsheltered	Sheltered				
Persons in Households with Adult(s) and Child(ren)	201	343	1088	544	459	182
Persons in Households with Only Children	127	6	200	67	44	200
Persons in Households with Only Adults	2567	292	4288	1429	1367	250
Chronically Homeless Individuals	883	74	1000	43	32	365
Chronically Homeless Families	32	0	40	8	2	365
Veterans	343	52	593	198	138	250
Unaccompanied Youth	127	6	200	67	44	200
Persons with HIV	29	7	54	18	18	200

Description of Methodology for Estimates: The above figures are based upon homelessness data for the entire county. The estimates for the number of persons experiencing homelessness on a given night came from the countywide 2013 PIT count. The estimates for the number of persons experiencing homelessness each year used a conservative view based length-of-homelessness data in the 2013 PIT count report; using this data we projected the annual number as the PIT number times 2 for persons in families with children, times 1.5 for persons in households with only children and unaccompanied youth, times 1.5 for households with only adults, times 1 for chronically homeless individuals (rounded up to 1000), times 1 for persons in chronically homeless families (rounded up to 40), times 1.5 for veterans, and times 1.5 for persons with HIV/AIDS. The estimates of the number of persons becoming homeless each year are the difference between the number of persons homeless at a point-in-time (i.e., already homeless at the beginning of the year) and the number experiencing homelessness over the year (i.e., those who became homeless during the year). The estimates of persons exiting homelessness each year were based upon the number entering homelessness each year minus (or plus) the annual increase (or decrease) of PIT homeless between the 2011 and 2013 PIT counts. Finally, the estimates of the number of days persons experience homelessness are based upon analysis of length-of-homelessness data in the 2013 PIT count report.

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

FAMILIES WITH CHILDREN: The 2013 PIT count found 165 homeless families in Santa Cruz County. The 17% increase over the 2011 PIT count was largely due to greater outreach by the County Office of Education and may not necessarily characterize that large of an actual increase in homeless families. The 165 families included 544 individuals, 292 of whom were under the age of 18. The risk of homelessness is highest among families with children under the age of 6. Children in families experiencing homelessness have an increased incidence of illness and are more likely to have emotional and behavioral problems than children with consistent living accommodations.

The survey sample of homeless families with children may be too small (23 households) and skewed more toward south Santa Cruz County (67% became homeless while living in Watsonville) to statistically represent homeless families in the City of Santa Cruz. That said, the following are key points from this survey of the 23 homeless families with children: 53% individual were between the ages of 31 and 50; 48% were Hispanic (higher than for homeless individuals which was at 34%); 65% were women (much higher than for homeless individuals which was at 30%); 70% were unemployed; and 76% received some form of government assistance, most commonly food stamps (67%) and Medicaid (33%).

In general, intact families have less severe barriers to housing, and can often return to housing stability with rapid rehousing assistance or a housing subsidy. Still, poverty, domestic violence, mental health or substance abuse problems, relationship issues, children's trauma, lack of education and job skills, and language or cultural differences are often key barriers to housing for homeless and at-risk families.

VETERANS: During the 2013 PIT count, there were 395 homeless veterans in Santa Cruz County, which is one of the highest per-capita concentrations in the nation. This represents 11% of the population experiencing homelessness. Of the 395 homeless veterans, 53% were White or Caucasian while 17% identified as Hispanic. Nine percent were Black/African American. There were 3 female veterans. The majority of veterans (55%) were over the age of 50 which represents a much higher percentage than the non-veteran population (28%). It was the first time of being homeless for 40% of veterans. Of these who had been homeless before, 52% had been homeless for more than a year. One in five (21%) reported being homeless at least six times in the three years prior to the survey. About 72% were experiencing one of more disabling conditions including physical disabilities (35%), PTSD (33%), and other mental illnesses (20%).

Homeless veterans, and those at risk of homelessness, include returnees from Afghanistan and Iraq, as well as earlier campaigns such Vietnam; they also include women who have suffered trauma, senior veterans who lack social supports, and veterans with conditions like brain injuries or post-traumatic stress disorder.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

Forty-three percent of PIT survey respondents identified as White/Caucasian. The largest minority by race was Black/African American at 5%. Thirty-five percent of the homeless were Hispanic.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Of the total of 3,536 individuals who were counted in Santa Cruz County during the 2013 PIT count, 82% were unsheltered, living on the street, in parks, encampments, vehicles, or other places not meant for human habitation. Of the total homeless individuals, 1,351 were counted in the City of Santa Cruz. A higher percentage of these were sheltered (34%). This is likely to be a result of the City being home to the north county winter shelter as well as a number of shelter facilities located at the Homeless Services Center.

Persons in families represented 15% of the overall homeless population yet they accounted for 54% of the sheltered population. In the City of Santa Cruz the 2013 PIT count indicated that there were a total of 892 persons who were unsheltered. Only 5 were persons in families. In the City of Santa Cruz, the main homeless facility specifically serving families is the Rebele Family Shelter. It has individual units that can be configured to have a total of up to 96 beds. As an emergency shelter, stays are limited to a period of 6 months.

Discussion:

In 2014, the Santa Cruz community initiated an inclusive process to develop a coordinated, countywide, long range strategic plan to address homelessness. The effort was led by the United Way of Santa Cruz County in coordination with county-wide stakeholders. A Strategic Planning Committee composed of individuals from the Homeless Action Partnership (Continuum of Care); the Smart Solutions to Homelessness Leadership Council (a homelessness advocacy group); the four city jurisdictions within the County; County departments of Health Services, Human Services, and Planning; the Housing Authority, and representatives of the homeless community developed an overall vision, long range goals, and recommended strategies. The basis of these strategies originated in Working Groups that were established to focus on the needs of specific areas of homelessness or homeless sub-populations. All strategies include appropriate performance measurements to allow for tracking both the successes and unresolved issues that may arise, allowing for opportunities on-going improvement.

The mission is “to prevent and end homelessness and its impact on communities throughout Santa Cruz County by implementing effective programs and strategies, by working collaboratively to increase resources and change systems to better meet the needs of diverse homeless sub-populations, and by engaging all persons and organizations needed to work together to resolve homelessness.”

“All In”, the new County-wide strategic homelessness plan was completed in April 2015. All discussions of homelessness in this Consolidated Plan have fundamentally been informed by and support this larger County-wide effort. The 2015 Strategic Plan sums it up well stating that “affordable housing is both a cause of and solution to homelessness. For many people, a short-term housing subsidy and stabilizing

case management is all that is needed to regain stable housing. For people who are disabled or medically vulnerable and require additional time and supports, permanent supportive housing has proven to be a cost efficient and effective intervention. For the rest who are struggling with high rents and low paying jobs, subsidized, affordable housing will end their homelessness. Recognizing the unique affordability and development limitations in our county, we are challenged to find creative solutions for the range of permanent and affordable housing options needed to address homelessness and fit well into the community fabric.”

As can be seen in the proceeding analyses, the face of homelessness in this community is as diverse as the County itself. To meet community needs, solutions to end homelessness in Santa Cruz should include:

- Creation of new affordable housing, including permanent supportive housing and developments patterned after the “Housing First” model at 111 Barson Street (Nuevo Sol)
- Programs to help prevent those at risk from falling into homelessness.
- For those that have lost their home, assistance in securing housing.
- For those who in the interim remain homeless, on-going services must continue to be available.
- And finally, a coordinated entry is critical to provide the most informed and successful support for homeless persons or families; more efficiently use limited resources; and enable service providers to improve communications.

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

Certain households, because of their special characteristics and needs, may require special accommodations and may have difficulty finding housing due to special needs. Special needs groups may include the elderly, persons with disabilities, persons with HIV/AIDS, female-headed households, large households, and homeless persons and persons at-risk of homelessness. The following generally summarize the nature and extent of housing and supportive service needs of non-homeless special needs groups identified in the Consolidated Plan.

Describe the characteristics of special needs populations in your community:

Seniors: According to 2010 Census data, an estimated 21% of households in the City had at least one individual who was 65 years of age or older. Approximately 19% of the City's households were headed by someone 65 years and older. The majority of senior householders owned their homes (67%), while 33% were renters. About 58% of senior headed households live alone. The majority of these (73%) are women. Seniors are considered a special needs group because of their typically limited incomes and need for health care and other supportive services.

Persons with Disabilities: About 8% percent of the City's population is affected by one or more disabilities. Among persons living with disabilities in the City, cognitive disabilities were most prevalent (45%), followed by ambulatory disabilities (38%), and independent living disabilities (27%). Persons with disabilities often have limited incomes but extensive needs for a variety of services. Furthermore, as the majority (about 72%) of the City's housing stock was constructed prior to 1990 (before the passage of the American with Disabilities Act), accessible housing is also limited in supply. About 22% of the 2014 Santa Cruz County Community Assessment Project survey respondents reported having a member of their household diagnosed with a disability. Of those, only half (52%) participated in life at the level he or she desired.

Large Households: Large households are those with five or more members. According to the 2010 Census, approximately 7% of the households in the City of Santa Cruz were large households. Large households may experience overcrowding or cost burden issues due to lack of affordable housing.

Single-Parent Households: Single-parent households, particularly female-headed families with children, often require special consideration and assistance because of their greater need for affordable housing and accessible day care, health care, and other supportive services. Female headed families with children are a particularly vulnerable group because they must balance the needs of their children with work responsibilities, often while earning limited incomes. As of 2010, an estimated 12% of households in the City of Santa Cruz were headed by single parents; the majority of which were headed by females (61%).

Victims of Domestic Violence: As reported in the 2014 Santa Cruz County Community Assessment Project (CAP), the rate of domestic violence calls has decreased in both Santa Cruz County and California since 2007. In the County calls decreased from 3.1 per 1,000 residents in 2007 to 2.9 per 1,000

residents in 2013. In the area including the City of Santa Cruz, 5% of CAP survey respondents reported having friends or family members who have experienced domestic violence in the last year. However, the rate of domestic violence is believed to be an underestimate because many incidents of domestic violence go unreported.

Persons with Drug/Alcohol Addictions: The U.S. Department of Health and Human Services conducts annual National Surveys on Drug Use and Health. In 2011, the national survey found that 6.5 percent of Americans were dependent on alcohol or had problems related to their use of alcohol (abuse). When applying these figures to the City of Santa Cruz's population, it is estimated that over 4,000 persons may have issues with alcohol abuse. The survey also estimated that 8.7 percent of Americans aged 12 or older were classified with substance dependence or abuse in the past year based on criteria specified in the Diagnostic and Statistical Manual of Mental Disorders. This translates to over 3,300 persons in the City. It should be noted, however, that these estimates are based on national averages and may not reflect the City's population with 100 percent accuracy.

What are the housing and supportive service needs of these populations and how are these needs determined?

City staff, service providers, and neighborhood leaders agree that almost all low income and special needs populations in the City of Santa Cruz have and will continue to have a greater need for affordable rental units than are available. Low income and special needs renters in the City often compete with students when seeking rentals, many of whom receive parental help and guarantees or roommates and, as such, can afford to pay more per month in rent. The 2008 recession exacerbated this situation by driving rents even higher when former homeowners were forced to join the rental market resulting in increased demand and a steep rise in market rents. Many special needs populations also need housing with supportive services and, ideally, housing near public transit. Persons with mental illness, in particular, do best with onsite counselors. In order to meet these additional needs, the already limited pool of rental units is further reduced. Most low income and special needs populations in the City need some kind of subsidy or help to be able to live in the City.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

Acquired Immunodeficiency Syndrome (AIDS) is the final stage of the Human Immunodeficiency Virus (HIV) infection. People at this stage of the HIV disease have severely compromised immune systems which puts them at risk for opportunistic infections. AIDS requires medical intervention and treatment to prevent death. National studies have shown that at least 25 percent of people with disabling AIDS will be in need of supportive housing at some time during their illness.

As reported in the 2014 Santa Cruz County Community Assessment Project," newly diagnosed cases of AIDS, which are attributed retroactively, have fluctuated in Santa Cruz County over the past seven years between 8 cases in 2010 and 19 cases each in 2011. The majority of Santa Cruz County residents presumed to be living with HIV/AIDS are male; White; and the largest number are currently between the ages of 45 and 64. Almost half of the residents live in North County", which includes the City.

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction’s need for Public Facilities:

City of Santa Cruz has a large number of nonprofit organizations, most of which have facilities and facility needs. It is difficult to predict exactly what and when changes or additions to these non-profit community facilities will be needed. City staff typically works individually with non-profit organizations as the need arises. Ultimately it is best if improvements can be planned well in advance but changes are often a result of events outside of the non-profit organization’s control. For example, something may happen to a facility that forces changes to be made sooner than expected. Or new government program such as the Affordable Care Act may be developed that creates new demands for different types of services. The intent of the 2015 Consolidated Plan is to provide the flexibility to fund non-profit facility improvements when the need and/or the opportunity arises.

Finally, the City has a number of recreation facilities that are aging and in need of improvements in order to continue to serve the community. The Department of Parks and Recreation is initiating a Parks Master Plan that will be identifying some of these needs. At the present, the Loudon Nelson Community Center, located in a low income neighborhood adjacent to the City’s NRSA and its Downtown, has been identified as need of significant improvements. Although the City is receiving state funding for the bulk of these improvements, additional needs may occur at a later time but within the five years covered by this Plan.

How were these needs determined?

As indicated above, Public Improvement needs in the City were determined based on the following:

- Consultations with Non-Profit community service organizations.
- Consultations with other City departments.
- City of Santa Cruz Capital Improvement Plan.

Describe the jurisdiction’s need for Public Improvements:

Similar to public facilities, many public improvements (such as streets, drainage, water/sewer infrastructure) are aging and require upgrading to meet the increased needs in the community. These needs are identified in the City’s Capital Improvement Program (CIP). CDBG funds have been used in the past for gap funding for CIP infrastructure improvement projects that serve residents in low income areas of the City. CDBG funds can provide an important source of gap funding that may mean the difference between whether a project can be completed or not.

Through consultations other City departments and community surveys conducted in the Beach Flats and Lower Ocean Street neighborhoods, two priority neighborhood infrastructure needs have been identified. The first is the need for sidewalk improvements including installation of accessible curb ramps at intersections. The second is the need for infrastructure improvements that enhance security

such as lighting in darker pedestrian active areas, especially in high crime sections of the City, and pedestrian crossing improvements such as.

How were these needs determined?

As indicated above, Public Improvement needs were determined based on the following:

- Consultations with other City Departments.
- Neighborhood surveys conducted in the Beach Flats and Lower Ocean Street neighborhoods.
- City of Santa Cruz Capital Improvement Plan.

Describe the jurisdiction’s need for Public Services:

The City has always put a premium on services provided by non-profit organizations to City residents. This is reflected in the relatively high amount in General Fund grants provided for community services. Currently over 50 programs are funded annually with over \$1 million from the General Fund. CDBG funding contribution for community services is about 10% of the General Fund grant amount. Since the General Fund allocation for community programs is much larger than the CDBG allocation, the City has traditionally developed recommendations for CDBG funding as part of the larger General Fund process, essentially assigning three or more of the service providers to receive CDBG funding. The service providers that do receive CDBG funding are largely selected because of their alignment with priority goals and objectives of the Consolidated Plan and HUD.

In 2011, The City of Santa Cruz revamped its Community Programs funding allocation process. After a year-long collaborative process involving the City and service providers, a strategy was developed that focused on three areas of community need: (1) financial wellbeing; (2) health; and (3) safety. Under this framework, specific needs have been identified and programs funded in two year cycles. In 2011 there was an emphasis on youth services. In 2013, this emphasis shifted somewhat toward security concerns.

Consultations with service providers and other City departments indicated that there is an unending need for additional supportive services in the City which exceeds available CDBG funds. In addition to youth programs and neighborhood safety, health care access as well as on-going support for the services and community centers in the City’s Neighborhood Revitalization Strategy Area (NRSA) were identified.

How were these needs determined?

As indicated above, public service needs are determined through the Community Programs Committee process in coordination with the County of Santa Cruz and other jurisdictions. Additional input from the Community Programs Committee members and non-profits service providers at a Community Programs Committee meeting supported ongoing funding for the three services currently receiving CDBG funding. This allocation within the CP Process will be analyzed and adjusted on a biennial basis.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

Over the last decade, the National Housing Conference (NHC) has consistently ranked the Santa Cruz Metropolitan area within the top six most expensive rental housing market in the nation. Fair Market Rent is calculated to be almost \$1,600 per month for a two bedroom apartment. To be able to afford this two bedroom apartment a household must have the equivalent of about 3.8 minimum wage jobs or 2.3 jobs at the estimated average wage for renters in Santa Cruz.

The National Association of Home Builders (NAHB) also consistently ranks Santa Cruz as the least affordable place to buy a home in the United States. As a result only 44% of households in the City of Santa Cruz own their own home versus a state wide average of 55% and a national average of 66%. Less than 15% of households earning median incomes for Santa Cruz County can afford to purchase a home in the City.

The disparity between median household income and the cost of housing excludes many persons who work in the City of Santa Cruz from being able to live here as well. As the proceeding Needs Analysis shows, those who do choose to live and work in the City are frequently cost burdened by housing.

The Housing Market Analysis includes the following sections:

MA-05: Overview

MA-10: Number of Housing Units – 91.210(a)&(b)(2)

MA-15: Housing Market Analysis: Cost of Housing - 91.210(a)

MA-20: Housing Market Analysis: Condition of Housing – 91.210(a)

MA-25: Public and Assisted Housing – 91.210(b)

MA-30: Homeless Facilities and Services – 91.210(c)

MA-35: Special Needs Facilities and Services – 91.210(d)

MA-40: Barriers to Affordable Housing – 91.210(e)

MA-45: Non-Housing Community Development Assets – 91.215 (f)

MA-50: Needs and Market Analysis Discussion

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

According to the US Census, between 2000 and 2013, the number of housing units in the City grew by over 2,350 units (an 11% increase). Although the City continues to predominantly be a single family home community (56% of the City's housing stock), the greatest growth (+30%) occurred in developing larger rental projects of more than 20 units. This represents an increase from 8% to 10% percent of the total housing stock and reflects the City's efforts to encourage higher density developments with smaller, more affordable units.

From 2003 through 2009, five major larger housing projects added over 500 new units to the City's housing stock of which over 60% are affordable. These projects included Nueva Vista (48 units) in 2003; Gault Street Senior Housing (37 units) in 2004; 1010 Pacific Avenue and Pacific Shores (total 318 units with 127 affordable units) in 2004, and the Tannery Artists Lofts (100 units) in 2009.

The City of Santa Cruz is also predominantly a renter community with 55% of all housing units in the City of Santa Cruz being occupied by renters. Statistically the majority (66%) of renters live in smaller one to two bedroom units where the majority (62%) of homeowners live in the larger three bedroom units. This difference does not correlate to household size where the average household size of owner occupied housing is 2.58 persons and renter occupied housing is 2.48 persons, but not surprisingly, does to household income. The median household income for a homeowner is almost 2.4 times that of a renter household.

Unless otherwise noted, the source of data for the following tables is the 2007-2011 American Community Survey.

Table 26 – Residential Properties by Unit Number

Property Type	Number of Units		Percent Change	% of Total Units in 2014
	2000	2013		
1-unit detached structure	12,086	13,374	11%	56%
1-unit, attached structure	1,893	2,406	27%	10%
2-4 units	2,563	2,661	4%	11%
5-19 units	2,685	2,640	-2%	11%
20 or more units	1,794	2,339	30%	10%
Mobile Home, boat, RV, van, etc.	439	395	-10%	2%
Total	21,460	23,815	11%	100%

Table 27 – Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	59	1%	1,291	11%
1 bedroom	494	5%	3,732	32%
2 bedrooms	3,186	32%	3,986	34%
3 or more bedrooms	6,084	62%	2,794	24%
<i>Total</i>	<i>9,823</i>	<i>100%</i>	<i>11,803</i>	<i>101%</i>

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

The City has more than 1,300 affordable income restricted rental units that have been assisted with federal, state and/or local funds. Over 40% of these affordable units (520+) are limited to seniors and 8% (104) are targeted for special needs, the majority of which (96%) are for persons with psychiatric disabilities. Special needs housing can be further divided by independent living arrangements with individual apartments and projects where residents do not have separate apartments and the unit count refers to number of beds. Fifty percent of the 104 Special Needs housing units fit into this category. For other un-targeted affordable units, almost 30% of the units are in single room occupancy (SRO) projects. The majority of these (96% or 177 units) are older SROs that suffered damage during the 1989 Loma Prieta earthquake and were rebuilt with State and Red Cross emergency funding assistance.

Almost two-thirds of all income restricted units in the City of Santa Cruz are available to very low income households with household incomes at or below 50% of area median incomes (AMI). Most of the remaining affordable units are available to low income households at 80% AMI with 2% being available to moderate income households. Not surprisingly Special Needs housing tend to have a much higher percentage than this average with 97% of units restricted to persons or households at or below 50% AMI. Likewise, multifamily units have a higher percentage (71%) at this income level. This is due to most of these projects being funded by Federal Low Income Housing Tax Credits (LIHTC) or HUD programs, both of which emphasize greater affordability levels. Whereas for SRO projects, only 15% of the affordable units are restricted at or below 50% AMI while the majority of these units are restricted at or below 80% AMI (low income households).

The City has recently provided funding assistance to Habitat for Humanity to create 6 very low income ownership housing units, the last two of which were assisted with City HOME Program funding. Habitat for Humanity is a Community Housing Development Organization (CHDO) for the City of Santa Cruz.

In addition to developing affordable housing by providing financial assistance, the City also has an active Inclusionary Housing Program that requires 15% of units to be made affordable to low and moderate income households. Over 110 moderate income ownership units have been created where sales prices are set to be affordable to median income households (100% AMI) but can be purchased by moderate income households with incomes up to 120% AMI. The Inclusionary Program has also produced 135

affordable rental units. Affordability levels for these units are set at 60% AMI for some of the older projects and at 80% AMI for newer rental projects.

Finally, the City has a Fee Waiver Program for homeowners building accessory dwelling units (ADUs). There are currently about 20 income restricted affordable ADUs. The affordability level is linked to the number of fees that are being waived. Units may either be restricted for very low income or low income households. Because of recent state legislation (2014) requiring homeowners to pay prevailing wages to build an ADU if they receive a fee waiver, it is expected that few if any new affordable units will be created through this program.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

Three Project Based Section 8 Agreements are expected to expire during the five years covered by this Consolidated Plan. Two of the projects, Gault Street Senior Housing and San Lorenzo Apartments, have other affordability requirements in place that extend well beyond this Consolidated Plan. For the other project, based on past performance, risk is considered to be moderate. However, since none of these projects is owned by a non-profit organization, the risk assessment would substantially increase if ownership changed.

- Santa Cruz River Front Apartments: Moderate to high risk of non-renewal. HUD agreement expires in 2018.

This 71 unit affordable housing development is owned by a Limited Partnership. The general manager has twice signed five year renewal contracts with HUD and can reasonably be expected to continue doing so in the future as long as project finances remain stable and the City continues to provide incentives that were negotiated during previous renewals. However, the risk of non-renewal may increase if the current general manager retires. City staff will continue to work with the owner to facilitate renewal.

- La Posada: Low to moderate risk of non-renewal. HUD agreement expires in 2018.

This 122 unit affordable senior and disabled person's housing project is also owned by a Limited Partnership which has continued to renew its HUD contract. City staff has talked to the owner/general manager in the past and were reassured that the Partnership intends to continue to renew the HUD contract in the future. Staff will continue to track this project.

- San Lorenzo Park Senior Apartments: Low to moderate risk of non-renewal. HUD agreement expires in 2018.

The 78 unit San Lorenzo Park Apartments is owned by an individual who is known for his philanthropic work. Based on this, it is expected that the Section 8 agreement will continue to be renewed. In addition, the City has a HOME Program agreement in place until 2023 that

requires repayment of the HOME loan if the Section 8 agreement is not renewed. As long as the current property owner owns the property the risk assessment is low.

The City also expects to lose a number of inclusionary Program units. Hopefully these will be offset by additional inclusionary units. This will include 12 rental units; 26 beds at an assisted living facility; and 40 ownership units. It is doubtful if the lost rental units and assisted living facility beds will be replaced by future development. The ownership units may be replaced but it is expected that this will take over 10 years to accomplish.

Does the availability of housing units meet the needs of the population?

The City has a significant need for affordable housing that extends well beyond what the City currently has or can expect to be able to build within the next five years. Currently, waiting lists for publicly assisted housing is about 6-7 years for a three bedroom apartment and up to 10 years for a one bedroom apartment. Housing Choice Vouchers have a wait period of up to 7-8 years. The waiting list has been closed for a number of years

In addition to issues relating to affordability, issues relating to housing conditions are also prevalent. With more almost 50% of the housing units older than 50 years of age, a large portion of the City's housing stock may need substantial rehabilitation and emergency repairs.

The extent of housing needs in the City far exceeds the resources available to address those needs.

Describe the need for specific types of housing:

The average household size in the City of Santa Cruz 2.44 persons and almost 30% of the population are householders that live alone. As a result, the greatest housing needs is for smaller one and two bedroom units. Both rental property owners and the Housing Authority for its public housing units have indicated that the greatest demand for both market rate and affordable housing are these smaller units. Affordable rental housing is the greatest need in the City. There is also a great need for permanent supportive housing and "housing first" options for chronically homeless persons.

Discussion

See discussions above.

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

The very high cost of housing is the City's most critical housing issue and creates the most pressing housing need. Data in this section shows that the median home price increased 75% over the past 11 years, and the median contract rent rose 46 percent during this same time period. While incomes have increased, they have not kept pace with housing costs. According to the Center for Housing Policy's Paycheck to Paycheck 2014 Metro rankings, the Santa Cruz metropolitan area is now the 6th most expensive rental market in the nation, and the 4th most expensive ownership market in the country.

The following section describes rental and homeownership affordability in the City of Santa Cruz. It is informed by a rental gaps analysis that compares the supply of rental housing at various income levels to the number of renters who can afford such rents. The section also examines how housing costs have changed relative to income growth of Santa Cruz households.

Table 28 – Cost of Housing

	Base Year: 2000	Most Recent Year: 2011	% Change
Median Home Value	\$397,100	\$695,400	75%
Median Contract Rent	\$875	\$1,276	46%

Data Source: 2000 Census (Base Year), 2007-2011 ACS (Most Recent Year)

Table 29 - Rent Paid

Rent Paid	Number	%
Less than \$500	1,321	11.2%
\$500-999	2,291	19.4%
\$1,000-1,499	3,943	33.4%
\$1,500-1,999	2,796	23.7%
\$2,000 or more	1,452	12.3%
Total	11,803	100.0%

Data Source: 2007-2011 ACS

Table 30 – Housing Affordability

Household Income Level	# Affordable Rental Units	# Affordable Ownership Units	Total # of HH	Shortage or Excess of Affordable Units	Cumulative Shortage
30% HAMFI	945	No Data	4,760	-3,815	-3,815
50% HAMFI	2,190	220	2,825	-415	-4,230
80% HAMFI	6,785	460	3,420	3,825	-405
100% HAMFI	No Data	625	2,240	NA	NA
Total	9,920	1,305	13,245	NA	NA

TERMS: HH – Household; HAMFI = Household Area Median Family Income (also commonly referred to as AMI or Area Median Income)

Data Source: 2007-2011 CHAS

Table 31 – Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
HUD Fair Market Rent	\$970	\$1,173	\$1,587	\$2,045	\$2,282
High HOME Rent	\$1,073	\$1,188	\$1,428	\$1,641	\$1,812
Low HOME Rent	\$867	\$929	\$1,116	\$1,288	\$1,438
2014 Market Rent - Median	\$1,325	\$1,809	\$2,300	\$2,579	NA

Data Source: HUD FMR and HOME Rents; Median Market Rent source (Real Facts)

Is there sufficient housing for households at all income levels?

It is likely that there is not sufficient housing for households at all but the very highest income levels, as evidenced by rising rents and home prices combined with a consistently low vacancy rate. However, the lower the household income level the greater the insufficiency in available and affordable housing is.

As shown in Table 35, approximately 4,760 households earning less than 30% percent of AMI reside in the City; however, according to the HUD data in Table 35, there are only 945 dwelling units affordable to those at this income level, showing a deficiency of almost 4,000 units. Similarly, the City has 2,825 households earning between 31 and 50 percent of AMI and only about 2,400 housing units affordable to households at this income level. The cumulative shortage is 4,230 units. Although there are more units affordable to households at 80% AMI level, than there are households at this income level, assuming very low income and extremely low income households are occupying many of these units, the City is still cumulatively short over 400 units of providing housing affordable to households at 80% AMI.

How is affordability of housing likely to change considering changes to home values and/or rents?

Given recent trends in the City, it is likely that home values and rents will continue to increase. During the recent recession, Santa Cruz saw a relatively minor dip in rents (5% from 2008-2010) when compared to the rest of the country. Overall since 2006 rents have increased by 32%. In the last 4 years (2010-2014) rents have increased by over 21%. Rental housing in the City of Santa Cruz is generally affordable (with the cost burden below 30 percent) to moderate-income households earning 80-120 percent of AMI and higher income households, particularly households that can be accommodated in smaller units.

Home values reacted more strongly to the recession. Prices peaked in 2006 with a median home price of \$752,000. The median home price dropped into the \$550,000 to \$570,000 range from 2009 to 2012 (-26%) but has significantly recovered since then. The median home price had risen to \$725,000 by the end of 2014 and is predicted to increase by about 3.2% in 2015 making purchasing a home by moderate income households difficult without taking on a significant housing cost burden.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

The City's Area Median Rents are higher than HUD's HOME rents or Fair Market Rents. HUD Housing Choice Voucher tenants have a difficult time finding housing that will accept Section 8 rents, which are tied to HUD Fair Market Rents. Also service providers have difficulty identifying units for Shelter Plus Care certificate holders. Over the last five years (2010-2014) average rents have increased 21.4%. And since housing production has not kept pace with demand, it is expected that this trend will continue. The City's affordable housing strategy has and continues to emphasize producing and preserving affordable housing although this is increasingly more difficult to do with dwindling resources.

Discussion

In addition to rising housing costs, the City of Santa Cruz has experienced rising costs for producing affordable housing. Especially given the limited amount of HOME funding the City now receives, these high development costs require developers to pursue multiple, highly competitive sources of funding which can take years to assemble. Faced with rigid HOME program spending deadlines, during this Consolidated Plan period, the City is likely to only use HOME funds for small housing projects and the City's Security Deposit Program. Larger affordable housing projects must rely on other State and Federal programs.

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

The City of Santa Cruz has a significant number of older homes. About 48% of all housing is over 50 years old and about 22% over 75 years old. Over time the City has implemented a variety of programs to upgrade the quality of housing units in the City, including rehabilitation loan programs, code enforcement, and affordable housing projects such as the Nueva Vista Apartments which replaced a number older substandard residential motels. In 2011 the City initiated a new Residential Rental Housing Inspection Program which requires an annual inspection of all residential rental dwelling units, including single family homes that are being used as a rental. The properties are inspected for compliance with state and local laws involving housing, building and zoning codes and property maintenance.

Describe the jurisdiction's definition for "substandard condition" and "substandard condition but suitable for rehabilitations"

The City of Santa Cruz uses the 1997 Uniform Housing Code to define what a substandard condition is. The states that: "Any building or portion thereof that is determined to be an unsafe building in accordance with Section 102 of the Building Code, or any building or portion thereof, including any dwelling unit, guest room or suite of rooms or the premises on which the same is located in which there exists any of the conditions referenced in the *1997 Uniform Housing Code* to an extent that endangers the life, limb, health, property, safety or welfare of the public or the occupants thereof, shall be deemed and hereby are declared to be substandard buildings.

Determination whether a substandard structure is suitable for rehabilitation is determined on a case by case basis by the Chief Building Official of the City.

Table 32 - Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	3,572	36%	6,571	56%
With two selected Conditions	169	2%	487	4%
With three selected Conditions	0	0%	170	1%
With four selected Conditions	0	0%	0	0%
No selected Conditions	6,082	62%	4,575	39%
Total	9,823	100%	11,803	100%

Data Source: 2007-2011 ACS

Table 33 – Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	504	5%	825	7%
1980-1999	1,617	16%	1,933	16%
1950-1979	4,511	46%	5,486	46%
Before 1950	3,191	32%	3,559	30%
Total	9,823	99%	11,803	99%

Data Source: 2007-2011 CHAS

Table 34 – Risk of Lead-Based Paint

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	7,702	78%	9,045	77%
Housing Units build before 1980 with children present	269	3%	385	3%

Data Source: 2007-2011 ACS (Total Units) 2007-2011 CHAS (Units with Children present)

Table 35 - Vacancy Rates

Vacancy Rates, 2007 to 2014								
	2007	2008	2009	2010	2011	2012	2013	2014
RealFacts -Rentals	4%	5%	5%	6%	4%	4%	6%	2%
RealFacts -Ownership	4%	5%	6%	6%	6%	4%	5%	3%

Source: RealFacts

Vacancy Rates

The City does not maintain records on vacant units. Therefore the original Vacant Units Table has been deleted and replaced with a Vacancy Rate table. Because of the high cost of and high demand for housing in the City of Santa Cruz, vacant and abandoned units have not been a common problem. The City does not track which units are suitable for rehabilitation and which are not.

Vacancy rates for both rental and ownership units in in the City were relatively level with a maximum level of 6% even during the recession. These vacancy rates reported by RealFacts, which is a private data vendor, are based on newer larger residential properties. Based on the low vacancy rate in new multifamily developments, which have higher rents than older construction, it is reasonable to conclude the vacancy rate among older units is also low. Conventional wisdom is that a “normal” vacancy rate is about two percent for owner-occupied housing, six to seven percent for rental housing, and about five percent overall. Many ordinances use a five percent long-term vacancy rate as the measure of a healthy rental market.

Describe the need for owner and rental rehabilitation based on the condition of the jurisdiction's housing.

As shown by the data above, over half (51%) of the City's housing stock does not have any of the selected quality conditions. Among the housing units that do have any of the reported conditions, all but 4% have only one condition, which based on prior analyses, is the high cost of housing compared to the resident's income (cost burden). Notwithstanding this, about half of the City's housing stock is more than 50 years old. Due to the age of the City's housing stock, rehabilitation is often needed to bring the housing up to current standards, particularly in regard to accessibility features for people with disabilities. With many of City residents being housing cost-burdened, there is a need for affordable rehabilitation opportunities. However, given funding limitations, the City is not able to provide the more labor intensive single family home rehabilitation program and has instead focused HOME Program rehabilitation efforts on larger rental housing apartment complexes.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Childhood lead poisoning is one of the major environmental health hazards facing American children today. Children are exposed to lead poisoning through paint debris, dust and particles released into the air that settle onto the floor and windowsills and can be exacerbated during a renovation. The dominant route of exposure is from ingestion (not inhalation). Young children are most at risk because they have more hand-to-mouth activities and absorb more lead than adults.

Housing built before 1978 is considered to have some risk, but housing built prior to 1940 is considered to have the highest risk. After 1940, paint manufacturers voluntarily began to reduce the amount of lead they added to their paint. As a result painted surfaces in homes built before 1940 are likely to have higher levels of lead than homes built between 1940 and 1978. Lead-based paint was banned from residential use in 1978.

Without conducting detailed environmental reviews of the City's housing stock it is difficult to determine the number of households at risk of lead-based paint hazards. It is estimated that over 5,500 units of the City of Santa Cruz's housing stock were built before 1940, when lead based paint was most common. And a total of about 16,700 were built before 1979 as lead-based paint was being phased out and eventually banned.

If 90% of the pre-1940 units are at risk of containing lead paint and 80% of the units built between 1940 and 1970 are at risk, then it is estimated that about 13,900 housing units, or almost 65% of the City's housing, may contain lead paint. Since about 50 % of housing units are occupied by low income households, then it may be estimated that about 6,800 units with lead based paint are occupied by low income households. The risk is somewhat mitigated in that only about 3% of these units have children present.

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

As noted in Section NA-35, the City of Santa Cruz does not own or operate any public housing. The HA has 3 developments within the City of Santa Cruz, with a total of 32 units. The City of Santa Cruz currently has about 1,300 affordable units that have been assisted by federal, state and/or local funds in addition to the 32 public housing units and 1,030 Housing Choice Vouchers used in the City. In addition the City has 135 rental and 110 ownership affordable units under its inclusionary housing program.

Table 36 – Total Number of Units by Program Type

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Total Vouchers	Project-based	Tenant-based	Vouchers		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
# of units vouchers available	0	51	234	3,986	42	3,944	103	1,067	885
# of accessible units	DATA NOT AVAILABLE.								

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

The following is a brief description of the three public housing sites located within the City of Santa Cruz.

- Grandview; constructed in 1984, has 15 units consisting of 1 one bedroom, 7 two bedroom, and 7 three bedroom units.
- Broadway; constructed in 1984, has 5 units consisting of 2 two bedroom and 3 three bedroom units.
- La Fonda; constructed in 1984, has 12 units consisting of 3 two bedroom, 3 three bedroom and 6 4 bedroom units.

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

For over 10 years, the HA has and continues to be rated as a high performer by HUD. The HA adheres to a regular maintenance schedule for all of its buildings and uses professional landscapers for the exteriors. Units are upgraded as needed or when tenants move out. The HA has also been steadily upgrading the energy efficiency of all of the properties.

Table 37 - Public Housing Condition

Public Housing Development	Average Inspection Score
Grandview	Score = 90.25 for all public housing in County, rated as one scattered site project, including the 3 sites in the City of Santa Cruz to the left.
Broadway	
La Fonda	

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

As noted above, the HA’s rigorous maintenance schedule has assured that all properties within the City of Santa Cruz are in excellent condition. Since individual units have been upgraded as tenants move out or as need there’s no need for any restoration or revitalization projects during the five year duration of this Consolidated Plan.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

The HA will continue to maintain its properties and make improvements as needed.

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

The City of Santa Cruz has a long history of countywide collaboration with Santa Cruz County, its cities, and its nonprofit organizations to prevent and end homelessness through the provision of housing and services to homeless people and those at immediate risk of homelessness. A wide range of homeless assistance programs form a countywide homeless assistance system, also known as the Continuum of Care (CoC), which works to resolve the crisis of homelessness, to house people as quickly as possible, and meet service needs along the way. Leadership for the CoC is provided by the Homeless Action Partnership (HAP), a community-wide action team that meets regularly to implement the CoC.

In 2003, Santa Cruz County became one of the first communities in America to adopt a ten-year plan to end homelessness. The HAP's goal was to establish a single countywide blueprint for action to prevent, reduce, and eventually end homelessness in Santa Cruz County, and ameliorate the impact of homelessness on all people.

In 2014, the Santa Cruz community initiated a new process to develop a broader more inclusive coordinated, countywide, long range strategic plan to address homelessness. United Way of Santa Cruz County (United Way) was retained by the County of Santa Cruz to facilitate development of the new strategic plan in partnership with the HAP and Smart Solutions to Homelessness (SSH). SSH is a coalition working to broaden community understanding and involvement on the issue of homelessness. A 30 person Strategic Planning Committee representing diverse stakeholder interests directed compilation of the Plan which was developed in sections by a number of working groups involving 100 people from the nonprofit and private sectors as well as the County, cities, the Housing Authority and school districts. These groups made recommendations focusing on Adults, Families, the Pajaro Valley, Youth and Young Adults, Veterans, and Coordinated Entry.

“All In” the new county-wide strategic homelessness plan, which was completed in April 2015, is informed by data, local priorities, current and foreseeable resources, risks, and external opportunities. Although it was written to fulfill HUD's CoC requirements, the Plan also reflects Santa Cruz's circumstances.

Toward meeting the level of homeless need County-wide, a year-round inventory of emergency, transitional, rapid re-housing, and permanent supportive beds targeted to homeless people has also been increased by 24% from 798 beds PY 2009 to 1,049 in PY 2013. Of this inventory, the number of permanent supportive housing beds set aside for use by chronically homeless persons has been steadily increased each year, including from 229 last year to 287 in PY 2013. For purposes of the charts below, only beds or housing units that are located within the City of Santa Cruz are counted. Where there are scattered site programs such as VASH Vouchers for veterans or shelter+ care beds, it is assumed that 25% of the county-wide facility count is located in the City of Santa Cruz.

Table 38 - Facilities and Housing Targeted to Homeless Households

Type of Homeless Person/Household Served	Emergency Shelter Beds		Transitional Housing Beds Current & New (Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds		Current & New	Under Development
Households with Adult(s) and Child(ren)	111		37	54	24
Households with Only Adults	116	101	46	111	29
Chronically Homeless Households				109	16
Veterans	12			77	
Unaccompanied Youth			17		

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

All homeless agencies rely in part on mainstream services to meet the needs of their clients. Homeless Services Center and the county Health Services Agency’s Homeless Person’s Health Project both provide outreach, housing counseling to households who are homeless, referrals to other services available in Santa Cruz County, including primary health clinics, mental health, medical/dental health, substance abuse treatment, and benefits and financial assistance. As of 2015, dental services will also be available on the HSC Campus.

The Community Action Board of Santa Cruz County serves as a resource center, operating CALL 211 Santa Cruz County. This 24 hour call in service helps people in 170+ languages, from a trained call specialist, finding the health and human services they need such as:

- Food, shelter and homeless services
- Healthcare / Mental health counseling
- Disaster response
- Childcare
- Disability services
- Employment assistance

The County Human Services Agency provides a variety of mainstream services that regularly assist homeless persons in Santa Cruz, including CalFresh (food assistance); CalWorks (employment, cash aid, and childcare for families with children); Medi-Cal (health insurance); and Career Centers (job training and placement). The County Veterans Services Office and VA Capitola Clinic both provide homeless veteran with services and benefits assistance. The nonprofit Encompass Community Services furnishes homeless people with various mainstream services, such as Head Start and child care for families;

substance abuse treatment and jail re-entry services for adults; treatment and money management for persons with HIV/AIDS; and foster care emancipation services for youth and young adults.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Homeless Services Center (HSC) is the City's and the County's primary provider of services for the homeless. Programs include:

- Daytime Essential Services Center (DESC) - meals, showers, mail service, computer access, clothing, and meeting rooms.
- The Paul Lee Loft (PLL) - 30 to 90-day 46 bed emergency shelter located above the DESC facilities.
- Rebele Family Shelter (RFS) - 180 day emergency shelter for 28 households (up to 90 individuals) with children, also providing case management, parenting education, counseling, arts enrichment programs, and after school supportive programs.
- Page Smith Community House (PSCH) - transitional housing program up to 18 months for 40 individuals. Also PSCH provides intensive case management services.
- The Recuperative Care Center (RCC) - serves up to 12 homeless adults through a partnership with HSC, the County Health Services Agency, and local healthcare providers.
- 180/2020 - a multi-agency initiative to provide the chronically and medically vulnerable homeless with permanent supportive housing.
- CalFresh Employment Training Project - provides intake, assessment, case management, and employment services to homeless clients.

Encompass Community Services (ECS)/River Street Shelter: Encompass has about three dozen programs ranging from Head Start, parenting groups, mental health and substance abuse recovery, and supportive housing. It also operates a 32 bed shelter for homeless adults on the HSC campus with a focus on those with mental illness.

The Homeless Persons Health Project (HPHP) - located on the HSC Campus furnishes health and related services. In addition to medical care and treatment, HPHP provides information & referrals, alcohol & drug use support, health education, homelessness prevention and rapid re-housing, and case management. HPHP also coordinates and provides wraparound health and social services in the following permanent supportive housing projects all targeting chronically homeless, medically vulnerable adults:

- 39-bed Shelter Plus Care Program (partnering with the Housing Authority);
- 42-bed scattered site MATCH program (partnering with Front St., Inc.)
- 13-bed Nuevo Sol SRO (partnering with South County Housing); and
- 40-bed disabled and medically vulnerable housing choice voucher preference slots (partnering with the Housing Authority).

Downtown Santa Cruz Outreach - A full-time Downtown Outreach Worker works with homeless individuals to connect them with resources.

County Office of Education Students in Transition Project - provides a homeless project specialist to ensure educational rights and protections for children and youth experiencing homelessness. The program provides services for 1,500 students who are homeless and serves as an educational liaison for all public and private districts and schools.

Community Action Board Shelter Project - daily hotline with information and referral to shelters and other services. The Project also provides a countywide homeless housing and service resource guide, Voicemail for homeless people, emergency motel vouchers for medical emergencies, and eviction/foreclosure assistance.

Homeless Garden Project - job training and transitional employment for 30 to 50 homeless people in organic gardens and related enterprises.

HUD-Veterans Affairs Supportive Housing Program (VASH) combines HUD rental assistance for 203 (county-wide) homeless veterans with case management and clinical services provided by a Veterans Affairs caseworker.

Supportive Services for Veterans Families (SSVF) Projects - prevention and rapid rehousing services provided by the FIT Collaborative and the Veterans Resource Center.

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

This section supplements NA-45--Non-Homeless Special Needs Assessment with a description of the facilities and services available in the City of Santa Cruz.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs.

The Elderly and Frail Elderly Housing can best be described using a continuum of options ranking from independent living situations to nursing homes with intensive support systems. Although specific data on elderly living in nursing, assisted living or other group facilities is not available, it appears that there are sufficient facilities. Advocacy, Inc. provides a Long-Term Care Ombudsman Program and the Patients' Rights Advocate Program for seniors and disabled individuals living in residential care facilities.

Elderly tend to prefer to stay in their own homes as long as possible. If family members are nearby, they can also assist with basic care needs, enabling seniors to remain in their homes longer. However, this is not always possible. Senior Network Services helps match seniors in shared housing arrangements. The City's Downtown Senior Center at Louden Nelson provides elderly with social network opportunities through a variety of activities such as computer classes, social events, and weekday lunches. Home delivery by Meals on Wheels is also available.

Persons with Disabilities experience difficulties locating accessible and affordable rental housing close to public transportation. The County of Santa Cruz Human Resources Agency coordinates federal, state, and county government funding for programs and services for disabled populations in the City of Santa Cruz.

The following are supportive housing options for persons with psychiatric disabilities:

- Grace Commons: 13 units of supportive housing operated by the Encompass Community Services.
- Other Encompass Housing: Scattered site housing with support services including services coordinators, county coordinators and peer support.
- Darwin House: a 15 bed transitional Social Rehabilitation Program operated by Front Street Inc. is designed to prepare people for success in a more independent living
- Front St. Residential Care: a 44 bed adult facility serving individuals with mental disabilities.

Other Affordable Housing for the physically disabled includes the 36 Redwood Commons project that has 13 units that are affordable to extremely- and very low- income persons. Priority is given to mobility impaired individuals and their caregivers.

A network of non-profit organizations serves the disabled population. Social services that receive City assistance include:

- *Doran Center for the Blind and Visually Impaired.*
- Central Coast Center for Independent Living.
- Liftline (Community Bridges): Provides transportation services.
- Meals On Wheels (Community Bridges): Provides a daily visit and a nutritious meal.

Persons with AIDs: The following are the primary resources available to persons living with HIV/AIDS in the City:

- Federal EIS Program/HIV Early Intervention Services Program: Federal program that funds a variety of medical, mental health, nutrition and dental services.
- CARE Team/Community Advocacy Resources Team: Assists in accessing a variety of resources; provides nurse and case management, which includes assistance with medication, medication adherence, and facilitate doctor visits. Social workers conduct psychosocial assessments, follow up and referrals into appropriate mental health services.
- Santa Cruz AIDS Project (SCAP): Provides referrals and advocacy to legal services, assistance in obtaining permanent housing, financial assistance in order to maintain permanent housing, food bank, benefits advocacy, and financial assistance with insurance co-pays.
- Pearlman House - four-bed transitional housing program for persons with HIV/AIDs.

<p>Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing</p>

Discharge Planning is a key strategy for preventing homelessness by instigating changes within systems that regularly discharge people directly to homelessness. The following summarizes current countywide discharge planning and coordination among CoC agencies and mental health and public health institutions:

- **Health Care:** The County Homeless Persons' Health Project (HPPH) leads implementation of policies and protocols for homeless people leaving hospital care. HPPH's Project Connect provides frequent users of emergency rooms with intensive services to prevent hospitalization and homelessness. Hospital discharge planners contact HPPH when a homeless person is hospitalized. HPPH nurses and caseworkers visit and coordinate with all hospitals (and 6 community clinics) to ensure homeless people receive case management and housing upon discharge. For uninsured or Medi-Cal individuals discharged from a hospital stay, the first step is often a recuperative care program, such as the 12-bed Coral St. recuperative care unit or the medically frail motel program of Community Action Board. HPPH also works with the following providers (among others) to place those who are ready into long-term PH: Housing Authority, Encompass, HPPH housing programs, South County Housing, Santa Cruz AIDS Project, and Abode Housing.
- **Mental Health:** The County of Santa Cruz Health Services Agency (HSA) has a formal procedure,

designed with CoC member input and approval, for discharging patients from the psychiatric and other behavioral health units. A process has been established whereby the patient's status is reviewed, and the patient is assigned to a Mental Health Services Team for follow-up care. Discharges from the hospital are stepped down to an appropriate level of care from sub-acute facilities to specialized beds for mental health consumers. The HSA Housing Council meets weekly to identify housing and coordinate placements. Routine housing placements include: the 10 bed Crisis House, the 16-bed El Dorado Center adult residential program, the 47-bed Front Street Residential Care facility, the 32-bed River Street Shelter for persons with severe mental illness, 130 units of supported housing units supplied by Encompass Community Services, 36 units of supported housing provided by Front Street, Inc. and Willowbrook (both County-funded), and Drake, as well as other social rehabilitation and licensed residential care facilities.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

The City of Santa Cruz intends to continue providing general funds to nonprofit partners for supportive services. These funds have averaged about \$1,000,000 per year in the past. The City will also continue to operate the Downtown Senior Center at Louden Nelson and the senior lunch program.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

City staff has initiated discussions with Habitat for Humanity regarding an "Age in Place" program to help seniors that want to remain in their homes but may not be able to afford to or are physically able to do so through an accessory dwelling unit/home repair program. If implemented by the City Council, this would be funded through the City's Affordable Housing Trust Fund.

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

Lack of Affordable Housing Funding and Cost of Development: With the dissolution of redevelopment in California, the City of Santa Cruz has lost its most powerful tool and funding mechanism to provide affordable housing in the community. Funding at the State and Federal levels has also continued to experience significant cuts. With reduced funding and increased housing costs, the City faces significant challenges in providing affordable and decent housing opportunities for its lower and moderate income residents, especially those with extremely low incomes. The situation is exacerbated by state Prevailing Wage and federal Davis Bacon wage requirements as well as California’s environmental review requirements, all of which add to the cost of housing.

Planning and Development Fees: Development fees and taxes charged by the City also contribute to the cost of housing. Building, zoning, and site improvement fees can significantly add to the cost of construction and have a negative effect on the production of affordable housing. The City charges fees to offset the costs associated with permit processing. When compared to other agencies in the region, the City of Santa Cruz’s permitting fees are reasonable.

Permit and Processing Procedures: The processing time required to obtain approval of development permits is often cited as a contributing factor to the high cost of housing. For some proposed development projects, additional time is needed to complete the environmental review process before an approval can be granted. Unnecessary delays add to the cost of construction by increasing land holding costs and interest payments. However when compared to other local jurisdictions, the City processes entitlements and permits within a reasonable period of time.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

I

Introduction

The City of Santa Cruz is home to about 5,000 businesses and was recognized by Forbes in 2013 as #6 on the list of “Best Cities for Future Job Growth”. The principal industries of Santa Cruz and the surrounding region are agriculture, tourism, and technology. The University of California, Santa Cruz (UCSC), established in 1965, is located on the northern edge of Santa Cruz. UCSC has a current enrollment of 16,543 students and 4,000 faculty and staff. In addition to being home to UCSC, the city is located within commuting distance of Silicon Valley.

The following section covers the economic development needs of the City along with relevant data from HUD in pre-populated tables reflecting the local economic condition.

Economic Development Market Analysis

Table 39 - Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	637	78	3	0	-3
Arts, Entertainment, Accommodations	3,040	4,507	16	23	7
Construction	764	517	4	3	-1
Education and Health Care Services	3,320	3,404	17	17	0
Finance, Insurance, and Real Estate	1,001	700	5	4	-2
Information	473	284	2	1	-1
Manufacturing	1,593	1,465	8	7	-1
Other Services	1,225	1,596	6	8	2
Professional, Scientific, Management Services	2,217	1,762	11	9	-2
Public Administration	0	0	0	0	0
Retail Trade	2,772	3,135	14	16	2
Transportation and Warehousing	352	216	2	1	-1
Wholesale Trade	960	1,074	5	5	1
Total	18,354	18,738	--	--	--

Data Source: 2007-2011 ACS (Workers), 2011 Longitudinal Employer-Household Dynamics (Jobs)

Table 40 - Labor Force

Total Population in the Civilian Labor Force	32,773
Civilian Employed Population 16 years and over	30,321
Unemployment Rate	7.48
Unemployment Rate for Ages 16-24	20.20
Unemployment Rate for Ages 25-65	3.92

Data Source: 2007-2011 ACS

Table 41 – Occupations by Sector

Occupations by Sector	Number of People
Management, business and financial	9,958
Farming, fisheries and forestry occupations	1,110
Service	2,862
Sales and office	6,317
Construction, extraction, maintenance and repair	1,742
Production, transportation and material moving	736

Data Source: 2007-2011 ACS

Table 42 - Travel Time

Travel Time	Number	Percentage
< 30 Minutes	19,438	71%
30-59 Minutes	5,917	22%
60 or More Minutes	1,860	7%
Total	27,215	100%

Data Source: 2007-2011 ACS

Table 43 - Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	1,235	116	897
High school graduate (includes equivalency)	2,333	154	1,049
Some college or Associate's degree	5,239	389	2,061
Bachelor's degree or higher	12,589	466	2,184

Data Source: 2007-2011 ACS

Table 44 - Educational Attainment by Age

Educational Attainment	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	47	245	287	369	154
9th to 12th grade, no diploma	540	468	446	433	372
High school graduate, GED, or alternative	2,223	851	997	1,688	978
Some college, no degree	11,730	1,518	1,210	2,987	968
Associate's degree	529	402	423	1,164	193
Bachelor's degree	1,415	3,079	2,267	3,659	1,140
Graduate or professional degree	22	1,304	1,507	3,423	1,271

Data Source: 2007-2011 ACS

Table 45 – Educational Attainment -Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	23,405
High school graduate (includes equivalency)	30,307
Some college or Associate's degree	32,357
Bachelor's degree	48,017
Graduate or professional degree	55,652

Data Source: 2007-2011 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

According to the data above, the top employment sector in the City of Santa Cruz is arts, entertainment, and accommodation services with a 23% share of the jobs. This sector is what serves the City’s vibrant tourist industry. The education and health care services sector follows with 17% share, which in part reflects the influence of UCSC. This is closely followed by the retail trade sector with a 16% share.

Describe the workforce and infrastructure needs of the business community:

Technology: Santa Cruz’s proximity to Silicon Valley creates an excellent growth opportunity to create satellite centers, start-up businesses, and co-working spaces for small companies and flex-time workers who may not commute daily to their regular workplaces. In the past technology companies located in Santa Cruz tended to relocate to Silicon Valley once they reach a certain size. However, the City has been working to change this by connecting workers commuting to Silicon Valley for jobs here and to build up the technology sector in Santa Cruz. In order to better support

and grow this sector, tech businesses need to have an educated workforce that can foster a creative environment that is strong enough to nourish both small and large tech companies.

Tourism/Recreation: Tourism and related businesses are one of the strongest economic sectors in the City. The growing hospitality industry needs a range of workers especially those working in the service sector. Related to tourism are outdoor recreation product design and manufacturing industries, which are a natural fit for Santa Cruz. These industries need both trained professionals and skilled laborers.

Organic Farm Products: UCSC and Cabrillo College are world leaders in the Organic farming industry. The City is the headquarters for California Certified Organic Farmers (CCOF) which is a nationally known full-service organic certification agency and trade association. Although the City does not have agricultural land to grow organic crops, it does have industrial zones that can serve as research centers and sites for producing/distributing organic food and other related products. These organic related industries would need a mixed workforce.

The Arts: Based on Census data, Santa Cruz County has the 5th highest concentration of artists per capita in the US. A study done in 2012 showed that arts and culture nonprofits are a \$38 million industry in Santa Cruz County—supporting almost 900 jobs and generating over \$5 million in local and state government revenue. In recognition of this, the City has an active Arts Program to promote and develop the arts and culture sector. To date, development of the Tannery Artist Center is the largest effort toward this end.

INFRASTRUCTURE NEEDS:

Tech Support/Broadband Access: Improved broadband infrastructure is necessary for the internet-based, high-growth economy to advance and keep pace with consumer, business, and government demands. Considering the City's needs for long-term cost savings, public safety requirements for secure internet access, and creating efficiencies to encourage the private sector to invest in more robust and faster networks, broadband infrastructure is fundamental to the future of the City's network and the overall economic vitality of the community.

Public Transportation: Improved public transportation to business locations.

Street/Highway Access Improvements: The City is unique in that it has two state highways in the City (Highway 1 and 9). The Highway 1/9 intersection is a bottleneck into the City in general as well as businesses located in the adjacent Harvey West Business Park. Improvements for this intersection have been in the planning stages for over a decade but as of yet, the state has not established a schedule for their implementation.

Water Resources: In order to grow some industries, greater access to water resources during times of drought is needed.

Job Training: Access to training, job and career opportunities for low income or limited English-speaking households is needed.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

Some specific developments that will likely have a notable economic impact in the City of Santa Cruz include:

- **Pacific Station:** Santa Cruz METRO and the City are partnering to redesign the transit center at Pacific Station. In addition to transit center, the project will explore the mix of uses that may be appropriate at this site, with the potential of developing a multi-story building with a variety of compatible uses including at least 100 units of affordable housing, public parking, and a low income health center. If developed in conjunction with a private mixed use project located in the same block, over 1/8 of a mile or about 75% of a three block section of Pacific Avenue will be redeveloped. It is expected that a new Pacific Station will also catalyze other lower Pacific Avenue area development.
- **Tannery Arts Center:** Completion of the Tannery's Performing Arts Center which includes a 200-seat theater, rehearsal/classroom spaces, a restaurant/café, and office space for local non-profit arts groups.
- **Santa Cruz Warriors Stadium:** With the current agreement for use of a temporary stadium ending in 2019, it is possible that a new permanent stadium for the Warriors "D" League team will be built to replace the temporary arena that was installed in 2013.
- **Santa Cruz Wharf:** Various elements of the Wharf Master Plan, which was completed in early 2015, may be implemented over the next five years.
- **UCSC:** Increased investment and entrepreneurial activity from University of California at Santa Cruz (UCSC). UCSC has launched a new Center for Entrepreneurship which offers students hands-on experience to bring innovations to the market.
- **Rewriting/Amending Zoning Codes:** The Planning Department is in the process of changing the City's municipal zoning codes in ways that will facilitate development along the main transportation corridors in the City.
- **Implementation of a Broadband Master Plan:** The City has been working on a Broadband Master Plan as a comprehensive, city-wide policy for the development of the infrastructure that makes the fast, affordable internet access possible. It is expected that implementation of this Plan will begin within the 5 years covered by this Consolidated Plan.

Taken together, these projects will make the City a more attractive location for business, catalyze more development activity, and ultimately generate new business activity and employment opportunity in the growing economic sectors mentioned above.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

The City of Santa Cruz has a population that is exceptionally well-educated. Almost 60% of the City's population (age 25 and up) has a bachelor's degree or more education, compared to just 31 percent for California overall. That said, there are certainly unmet needs among the City's unemployed, underemployed and low income populations. There is still a strong need to provide relevant job skills training and employment opportunities for these populations.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

Workforce Santa Cruz County (WFSCC), which is overseen by the Workforce Investment Board of Santa Cruz County, is a partnership of local organizations that serve job seekers and businesses in the community and offers four conveniently located Career Centers plus the online Virtual Career Center. WFSCC's network of Career Centers offer an array of no cost services for businesses, employees, and job seekers. The Program includes on-the-Job Training opportunities for up to 3-6 month reimbursement of trainee's salary and funding for businesses to train existing employees.

Cabrillo College offers Career Technical Education (CTE) which encompasses a range of courses and programs that helps participants develop a set of career relevant skills and enter a in a new career within as little as six months, depending on the program of study. Skills Certificates are awarded after completing one or more courses.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

Yes, with the County and other 3 jurisdictions in the County the City participates in the Santa Cruz County Comprehensive Economic Development Strategy (CEDS).

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

The current Santa Cruz County CEDS was adopted in 2007. A new CEDS is currently being completed and will be adopted in 2015. The CEDS will be implemented in a way that aligns closely with other aspects of regional planning, including transportation, environmental protection, workforce development, broadband deployment, and physical infrastructure development. A number of goals and initiatives from the 2007 Plan that work to foster economic growth and workforce development are likely to be carried forward in the 2015 CEDS.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

Housing problems impact lower and moderate income households disproportionately, compared to non-low and moderate income households. Therefore, areas with concentrations of low and moderate income households are likely to have high rates of housing problems. A low and moderate income concentration is defined as a block group where at least 51 percent of the population is low and moderate income. A map of the geographic concentration of low and moderate income population by block group is provided in the Appendix. Overall, low and moderate income block groups cover more than half of the City, with high concentrations of low and moderate income households in the central core of the City. These areas are considered to be Target Areas for purposes of CDBG funding.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

HUD determines that an area of minority concentration to exist when “the percentage of households in a particular racial or ethnic minority group is at least 20 percentage points higher than the percentage of that minority group for the housing market area, i.e. the Metropolitan Statistical Area (MSA).”

The City of Santa Cruz is located in the Santa Cruz-Watsonville MSA in which, according to the most recent census, Hispanics represent about 33% of the total population in the MSA. In the City of Santa Cruz only the Beach Flats neighborhood (Census Tract 1010 and Block Group 4) fits HUD’s definition of minority concentration by having an ethnic make-up of 66% Hispanic.

When compared to the percentage of Hispanics in the City of Santa Cruz (19%), a total of four areas exceeded this 20% threshold, including:

- **Ocean Street:** South of HW1/East of Ocean Street (Ocean’s 11 Neighborhood Association) Census Tract 1002/Block Group 6 (41% Hispanic)
- **Seabright:** Bounded by Seabright Avenue and Windom, Owen, and Murray Streets (Seabright Neighbors) Census Tract 1009/Block Group 3 (43% Hispanic)
- **Pacific Avenue:** Pacific Avenue area south of Soquel Avenue (part of Downtown Neighbors and all of South of Laurel Neighbors Associations) Census Tract 1010/Block Group 1 (48% Hispanic)
- **Beach Flats:** Census Tract 1010/Block Group 4 (66% Hispanic)

What are the characteristics of the market in these areas/neighborhoods?

- **Ocean Street/CT 1002 BG 6:** A mix of single family homes and multi-family housing complexes including a 71 unit HUD Project Based Section 8 complex. Over 70% of the households are low income.
- **Seabright/CT 1009 BG 3:** Predominantly single family homes with some smaller multi-family housing. Between 51% and 70% of households are low income.
- **Pacific Avenue/CT 1010 BG 1:** Predominantly multi-family homes with a number of single room residency (SRO) complexes and two low income housing projects. Over 70% of the households are low income.
- **Beach Flats: CT 1010 BG 4:** A mix of single family homes and multi-family housing complexes including a 48 unit development that was constructed in 2003. Over 70% of the households are low income.

Are there any community assets in these areas/neighborhoods?

Historically, the City has focused many resources in the Beach Flats, South of Laurel and Lower Ocean Street neighborhoods which make up the City's NRSA. These areas are most subject to crime, calls for service, code enforcement issues and building deficiencies. Community Assets in the NRSA plus other areas mentioned above include:

- **Nueva Vista Resource Center** – which includes a service center and food/clothing bank in the Lower Ocean Street neighborhood and the Beach Flats Community Center with youth programs in the Beach Flats neighborhood. Nueva Vista Resource Center is a Community Based Development Organization (CBDO) serving the City's NRSA.
- **Louden Nelson Community Center and Laurel Street Park:** Community Center provides for a wide range of community uses including a Teen Center and a Senior Center. The Center is located adjacent to the NRSA.
- **Park Facilities:** Depot Park (Major City park with playing fields and an activity center); Mike Fox Skate Park; Beach Flats Park; Poet's Park and Community Garden; and pedestrian/bike paths along the San Lorenzo River. .
- **Wednesday Farmers Market:** Year round market located at Lincoln and Cedar Streets.
- **Metro Center Bus Depot:** Located on Pacific Avenue/Front Street between Cathcart and Laurel Streets.

Are there other strategic opportunities in any of these areas?

In terms of community services, the City will continue to collaborate with non-profit organizations and other agencies to ensure services and programs are delivered in a cost-effective manner and assistance provided to those who are most in need.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The purpose of the Strategic Plan is to identify the priority needs of the City and describe strategies that the City will undertake to serve the priority needs. The Strategic Plan includes the following sections:

- SP-05:** Overview
- SP-10:** Geographic Priorities
- SP-25:** Priority Needs
- SP-30:** Influence of Market Conditions
- SP-35:** Anticipated Resources
- SP-40:** Institutional Delivery Structure
- SP-45:** Goals
- SP-50:** Public Housing Accessibility and Involvement
- SP-55:** Barriers to Affordable Housing
- SP-60:** Homelessness Strategy
- SP-65:** Lead-based Paint Hazards
- SP-70:** Anti-Poverty Strategy
- SP-80:** Monitoring

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

Table 46 - Geographic Priority Areas

SORT	AREA NAME	AREA TYPE
1	Beach/South of Laurel and Lower Ocean Neighborhood Revitalization Strategy Area (NRSA)	Comprehensive Revitalization (NRSA)
2	Low Income Target Area	Activity Targeting
3	Code Enforcement Target Area	Target Area for focused Code Enforcement Activities

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction

In 2012, the City established the Beach/South of Laurel and Lower Ocean Street Neighborhood Revitalization Strategy Area (NRSA) as shown on the attached map. The NRSA is one of the areas in the City most subject to crime, calls for service, code enforcement issues and building deficiencies. The NRSA has been priority area for City assistance including CDBG funded projects and programs as well as other City efforts. The Beach Flats neighborhood, which is located within the NRSA, has the highest concentration of the minority Hispanic population in the City.

A second tier for targeted geographic investment, which is collectively called the Low Income Target Area, is based on census tract block groups that include the remaining low income areas in the City excluding Census Tract 1004, which is occupied by the University of California at Santa Cruz. Both the NRSA and the Low Income Target Area are shown on the attached Target Area Map.

Finally, within the Low Income Target Area are areas that have been identified as needing increased code enforcement activity. These areas, which are collectively called the Code Enforcement Target Area (CETA), must first qualify as a predominantly residential low income area that meets the City's definition of having signs of deterioration. The CETA map is updated on an annual basis as individual areas improve.

SP-25 Priority Needs - 91.215(a)(2)

Table 47 – Priority Needs Summary

1	PRIORITY NEED	Affordable Housing		
	PRIORITY LEVEL	High		
	POPULATION	Income	Extremely low; very low; and low income households	
		Household Type	Families, unrelated households; individuals (ALL)	
		Special Needs	Elderly; Persons with Disabilities; Veterans; Chronic Homeless	
	GEOGRAPHIC AREAS AFFECTED	City-wide		
	ASSOCIATED GOALS	1. Increase and preserve affordable housing supply and quality. 3. Support “All In” the County-wide Homeless Strategic Plan		
	DESCRIPTION	Preserve existing rental housing and increase the amount and affordability of rental housing for the City’s lowest income renters.		
	BASIS FOR RELATIVE PRIORITY	As indicated in the Needs Assessment Section of this Plan, the lack of affordable housing is the greatest need facing the City. This includes providing housing for special needs populations, which may include other support.		
2	PRIORITY NEED	Community Infrastructure Improvements		
	PRIORITY LEVEL	High		
	POPULATION	Income:	Extremely low; very low; and low income households & individuals.	
		Household Type	All	
		Special Needs	Mobility Impaired; Students	
	GEOGRAPHIC AREAS AFFECTED	Priority in Low Income Target Areas with a preference for the NRSA. City-wide for handicapped ramp improvements.		
	ASSOCIATED GOALS	2. Revitalize and maintain community facilities & infrastructure.		
	DESCRIPTION	Sidewalk, curb, gutter and pedestrian crosswalk improvements in qualified CDBG Target Areas with a priority for the NRSA. Additional lighting fixtures installed as needed when possible. American Disability Act (ADA) handicapped ramp improvements at intersections throughout the City.		
BASIS FOR RELATIVE PRIORITY	These Needs were identified by the City Departments, neighborhoods, and low income residents as being a high priority.			

3	PRIORITY NEED	Community Facility Improvements	
	PRIORITY LEVEL	Moderate to High	
	POPULATION	Income	Extremely low; very low; and low income households & individuals.
		Household Type	All household types
		Special Needs	All Special Needs
	GEOGRAPHIC AREAS AFFECTED	Low Income Target Areas; and City-wide for limited clientele	
	ASSOCIATED GOALS	2. Revitalize and maintain community facilities & infrastructure.	
	DESCRIPTION	On an as needed basis improvements to City parks and recreation facilities within Low Income Target Areas and to non-profit facilities serving low income persons.	
BASIS FOR RELATIVE PRIORITY	The City has a need to maintain and improve community facilities. A range of priority levels is provided since at this time, specific projects have not been identified. The City will be completing a Parks Master Plan which will provide future guidance.		

4	PRIORITY NEED	Homeless Assistance Programs	
	PRIORITY LEVEL	High	
	POPULATION	Income	Extremely low income households & individuals.
		Household Type	All household types and individuals.
		Special Needs	All Special Needs.
	GEOGRAPHIC AREAS AFFECTED	City-wide	
	ASSOCIATED GOALS	3. Support County-wide Homeless Strategic Plan. 4. Provide community and supportive services	
DESCRIPTION	Provide on-going support to the Homeless Services Center and Winter Shelter Programs as well as support implementation of other activities identified in the 2015 County-wide Homeless Strategic Plan.		
BASIS FOR RELATIVE PRIORITY	Persons experiencing homelessness, especially those with special needs are the City's most vulnerable populations and therefore are a high priority.		

5	PRIORITY NEED	Community Services and Youth Programs	
	PRIORITY LEVEL	High	
	POPULATION	Income	Extremely low; very low; and low income households & individuals.
		Household Type	All household types and individuals.
		Special Needs	Persons and households with limited English speaking capabilities.
	GEOGRAPHIC AREAS AFFECTED	Beach South of Laurel and Lower Ocean NRSA; Low Income Target Areas.	
	ASSOCIATED GOALS	4. Provide community and supportive services	
	DESCRIPTION	Provide on-going support for the Hispanic population and youth programs.	
BASIS FOR RELATIVE PRIORITY	Hispanic population, which is the City's only minority population, has a greater need for assistance especially when overcoming language barriers. Additionally the need for youth programs have been identified as one of the highest needs in low income neighborhoods.		

5	PRIORITY NEED	Planning and Administration		
	PRIORITY LEVEL	High		
	POPULATION	Income	NA	
		Household Type	NA	
		Special Needs	NA	
	GEOGRAPHIC AREAS AFFECTED		City-wide	
	ASSOCIATED GOALS	All Goals.		
	DESCRIPTION	The City will implement the goals and objectives of the Consolidated Plan by delivering a variety of housing and community development programs and activities. The City will continue to comply with the planning and reporting requirements of the Consolidated Plan regulations, and CDBG and HOME regulations. Annually, the City will monitor its use of CDBG and HOME funds to ensure effective and appropriate use of funds.		
BASIS FOR RELATIVE PRIORITY	Effective administration of programs and projects is needed to ensure success of activities and compliance with HUD requirements.			

SP-30 Influence of Market Conditions – 91.215 (b)

Table 48 – Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	The City uses HOME funds for Security Deposit Assistance. Since security deposits are generally tied to monthly rents, the high rents in the City have driven up the amount needed for each security deposit which has been averaging about \$1,300 per household.
TBRA for Non-Homeless Special Needs	Not applicable. City does not have a TBRA for Special Needs other than the Security Deposit Program noted above.
New Unit Production	The cost of developing a single unit of affordable housing in the City of Santa Cruz makes it difficult to do large projects. Given the limited HOME Program funds, the City must accumulate several years of HOME Program allocations to reach the level of contribution that allows a project to be implemented. In addition to the high market costs to construct new housing, the HUD HOME Program timeliness requirements make this accumulation of funds difficult as well.
Rehabilitation	The City’s aging housing stock indicates a need for a rehabilitation program. However, the cost of labor and materials to do so is very high. With limited funds and staffing, the City has prioritized helping to fund rehabilitation of multi-family housing projects where LIHTCs or other funding can be used to leverage HOME funds. However, under the 2015 Consolidated Plan a senior “age in place” program may be developed by using donated labor and materials to reduce costs.
Acquisition, including preservation	Preservation of existing, affordable housing is a high priority for the City, for the reasons discussed above. The City's code enforcement program and new Rental Inspection Program are the cornerstones of this preservation effort. The City also uses Affordable Housing Trust Funds to help provide incentives for owners of project based HUD Section 8 developments to renew contracts with HUD.

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

The City of Santa Cruz is a CDBG and HOME entitlement jurisdiction and anticipates receiving approximately \$500,000 in CDBG funds and \$240,000 in HOME funds for FY 2015. Santa Cruz does not receive funding under the Emergency Solutions Grant (ESG) or Housing Opportunities for Persons with AIDS (HOPWA) programs.

In recent years, the levels of CDBG and HOME funds for Santa Cruz have been primarily trending downward. In estimating the amounts of funding available over this Consolidated Plan period, the City took a conservative approach to assume an annual reduction of five percent. In terms of program income, the City does not anticipate a steady stream of significant program income over the course of this Consolidated Plan. During the past five years, the level of program income received varied widely depending if there are any loan pay-offs. Program income received from the repayment of Rehabilitation (CDBG and HOME) and First-Time Homebuyer (HOME) loans will automatically be re-programmed for affordable housing activities. Specific projects will be identified during the Action Plan process.

Table 49 - Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount \$ Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation:	Program Income	Prior Year Resources	Total		
CDBG	Public - Federal	Community Facilities & Programs; Homeless Services; Affordable Housing Programs	501,020	8,900	\$50,000	559,920	2,000,000	Used to fund Community Programs; Code Enforcement, Infrastructure & Facility Improvements; and 2 Housing Programs' Delivery Costs.
HOME	Public-Federal	Affordable Housing	241,735	3,800	300,000	545,537	960,000	Used to fund Housing Development, rehab, and Security Deposit Program.
General Fund	Public - Local	Public Services; Other Homeless Programs	1,300,000	NA	NA	1,300,000	5,200,000	General Funds used for social services and homeless programs.
AHTF	In Lieu Fees	Affordable Housing	Varies	NA	\$100,000	\$100,000	\$100,000	Affordable Housing Trust Fund for Housing Development & Preservation.
Red Cross Funds	Prior Loan Payments	TBRA; Public Services				47,000	188,000	Funding used special programs or projects under Red Cross guidelines.
Community Programs	General Fund	Community & Homeless Services	1,000,000	NA	NA	1,300,000	5,200,000	Variety of Community Programs and homeless services.
Former RDA Housing Funds	City Bond Proceeds	Affordable Housing	NA	NA	NA	NA	4,000,000	Commitment to Metro Project dependent upon release of RDA bond proceeds by state.
LIHTC	State	Affordable Housing	NA	NA	NA	NA	2,000,000	Funding is dependent upon individual projects receiving Tax Credits.
State Cap and Trade Prog.	State	Transit Oriented Development	NA	NA	NA	NA	1,000,000	Will apply for grant for Metro Project.

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The extent of needs in the City Santa Cruz far exceeds the available funding from the CDBG and HOME programs. Most activities to be pursued by the City with CDBG and HOME funds will be leveraged with a variety of funding sources, including: grants from State, Federal, and local governments; private foundations; capital development funds; general funds; private donations of funds or services; and other various funding sources. With the demise of Redevelopment Agencies in California, the federal Low Income Housing Tax Credit (LIHTC) program has become an increasingly more important source of funding for affordable housing. The City also intends to apply for new state Cap and Trade funding for transit oriented housing development. Cap-and-trade is a market based regulation that is designed to reduce greenhouse gases (GHGs) from multiple sources. The state has allocated some of the income from this program for affordable housing.

Federal match requirements apply to the City's HOME funds. The HOME program requires that for every HOME dollar spent, the City must provide a 25 percent match with non-federal dollars. Currently, the City still maintains an excess in match requirements from previous fiscal years of almost over \$9 million. This excess match will fulfill the City's HOME match requirements for many years at the current level of HOME funding.

Given the limited annual allocations in CDBG and HOME funds, the City may consider pursuing new Section 108 loans within the five-year Consolidated Plan period in order to support large-scale public improvements or housing projects. (Note that this was not included in the list above but may be added as an amendment at a later date.)

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City has long-term leases of City-owned property with non-profit organizations that address the needs identified. Programs operating in leased City-owned properties include:

- Housing Developments including Neary Lagoon, Nueva Vista, Sycamore Commons, the Tannery, and Gault Street Senior Housing.
- Beach Flats Community Center.
- Homeless Services Center.

Discussion

See discussions above.

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Table 50 - Institutional Delivery Structure

Responsible Entity	Responsible Entity Type	Role	Region
Homeless Services Center	Non-profit organizations	Homelessness	Region
Families in Transition of Santa Cruz County, Inc.	Non-profit organizations	Homelessness; public services	Region
County of Santa Cruz	Government	Homelessness; Non-homeless special needs; Planning; public services	Region
Encompass Community Services	Non-profit organizations	Homelessness; Non-homeless special needs; Rental; public services	Region
City of Santa Cruz	Government	Economic Development; Homelessness; Non-homeless special needs; Rental; neighborhood improvements; public facilities; public services	Jurisdiction
Santa Cruz County Health Services Agency	Government	Homelessness; Non-homeless special needs; public services	Region
Community Action Board of Santa Cruz.	Non-profit organizations	Homelessness; Non-homeless special needs; public services	Region
Santa Cruz Aids Project	Non-profit organizations	Homelessness; Non-homeless special needs; public services	Region
Housing Authority of SC Cty.	Government	Public Housing	Region
St. Francis Catholic Kitchen	Non-profit organizations	Homelessness; Non-homeless special needs	Jurisdiction
New Life Community Services	Non-profit organizations	Homelessness; Non-homeless special needs	Jurisdiction
Santa Cruz County Office of Education – Students in Transition Program	Government	Homelessness; Non-homeless special needs	Region
Homeless Garden Project	Non-profit organizations	Homelessness	Jurisdiction
Siena House	Non-profit organizations	Homelessness; Non-homeless special needs	Region
Monarch Services	Non-profit organizations	Homelessness; Non-homeless special needs	Region
Veterans Resource Center	Non-profit organizations	Homelessness; Non-homeless special needs	Region
Santa Cruz County Veterans Center	Government	Homelessness; Non-homeless special needs	Region
United Way of Santa Cruz County	Non-profit organizations	Homelessness; Non-homeless special needs; public services	Region

Assess of Strengths and Gaps in the Institutional Delivery System

Due to past and ongoing efforts, the City of Santa Cruz has strong working relationships with other jurisdictions and public agencies in the delivery system in the County. Although there are needs for additional services, no specific gaps in the delivery system have been identified. Most of the housing and community services programs described in the Consolidated Plan are delivered by nonprofit community based organizations. The City contracts with a wide range of service providers using CDBG, General Funds, and other sources of funding when available. These organizations leverage significant financial and in-kind support from individual community members, foundations, and private organizations that help meet the needs identified in this plan. The most significant gaps are caused by the lack of affordable housing and adequate funding for services. In other words, the needed services are generally available, but with additional funding could be expanded to more successfully match the need. The City will continue to work to help service providers access additional funding when possible.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Table 51 - Homeless Prevention Services Summary

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	
Mortgage Assistance			
Rental Assistance	X	X	
Utilities Assistance	X	X	
Street Outreach Services			
Law Enforcement	X	X	
Mobile Clinics	X	X	
Other Street Outreach Services	X	X	
Supportive Services			
Alcohol & Drug Abuse	X	X	
Child Care	X		
Education	X	X	
Employment and Employment Training	X	X	
Healthcare	X	X	
HIV/AIDS	X		X
Life Skills	X	X	
Mental Health Counseling	X	X	X
Transportation	X	X	X
Other			
Other – Basic needs, showers, mail, day shelter, etc.		X	

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

The following programs and resources are available to serve the homeless in the City of Santa Cruz:

Permanent Supportive Housing (all target chronically homeless): (1) 14 SRO Permanent Supportive Housing units at Nuevo Sol; and (2) 81 county-wide non site specific beds operated by Homeless Persons Health Project (HPHP) in Shelter+Care and MATCH Programs (number of beds in the City varies).

Transitional Housing: (1) 40 bed Page Smith Community House on HSC campus; and (2) 70 beds scattered site transitional housing operated by Families in Transition (FIT) for homeless families or single mothers (number of beds in the City varies).

Shelters: (1) 46 bed Paul Lee Loft on HSC Campus; (2) 96 person Rebele Shelter for homeless families on HSC Campus; (3) 32 bed River Street Shelter on HSC Campus; (4) 100 bed Winter Shelter; (5) 12-bed Sienna House shelter for homeless pregnant women; (6) 5-bed-New Life Community Services shelter for adults; and (7) 12-bed Jesus, Mary, and Joseph Home shelter for adults and families.

Veteran-Targeted Resources: (1) 12-bed Paget Center shelter for veteran singles; (2) 247 scattered site HUD VASH beds for veteran adults and families (number of beds in the City varies); (3) 60 scattered site SSVF rapid re-housing beds for veteran adults and families (number of beds in the City varies); and County Veterans Services office and programs.

Rapid Re-Housing Programs for Families: (1) 71 countywide scattered site rapid re-housing beds and services for non-veteran families in the County CHAMPS program and FIT rental subsidy programs (number of beds in the City varies).

Homeless Services Center: Provides a broad range of services at the Day Center including meals, showers, laundry, mail service, computer access, and assistance from case workers. In addition, the HSC campus includes shelters, emergency housing, transitional housing, and a clinic.

The Homeless Persons Health Project (HPHP): Under the County of Santa Cruz Health Services Agency, HPHP provides health and related services to over 3,000 individuals per year on the HSC Campus.

Encompass Community Services (formerly Santa Cruz Community Counseling Center): Provides services for psychiatrically disabled persons including shelter on the HSC campus and various housing options in the County.

Santa Cruz AIDs Project (SCAP): serves persons who are HIV positive living in Santa Cruz County providing education, advocacy, and supportive services. SCAP recently became part of Encompass

Community Action Board Shelter Project: An 8-hours-per-day, 5-days-per-week hotline, which provides information and referral to shelters and other services.

Downtown Santa Cruz Outreach: One full-time Downtown Outreach Worker is provided by the City to engage homeless individuals in the downtown, connecting them to needed resources.

County Office of Education Students in Transition Project: The County Office of Education Students in Transition (SIT) Project employs a homeless project to ensure educational rights and protections for children and youth experiencing homelessness. .

CalFresh Employment Training Project: Provide intake, assessment, case management, and employment services to homeless clients at HSC serving approximately 200 persons per year.

Homeless Garden Project: Provides job training and transitional employment to homeless people in organic gardens and related enterprises.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

Strengths: Santa Cruz County’s homeless Continuum of Care (CoC) includes the Cities of Santa Cruz, Watsonville, Capitola, and Scotts Valley, as well as large unincorporated areas. Leadership for the CoC is provided by the Homeless Action Partnership (HAP), a community-wide action team that has met regularly for the last 15 years. Currently, the full HAP includes 32 active organizational and individual members representing all geographic parts of the county, as well as the key functional sectors. As a result of this coordinated effort over the last 15 years, the HAP has successfully increased the amount of federal funding received in the county for homeless services and housing from \$500,000 in 2001 to over \$2.3 million in 2015.

Other non-CoC community planning efforts that benefit homeless people and align with the HAP’s objectives include the community-based Smart Solutions to Homelessness (and leadership council, public education, and business working groups), which grew out of a daylong Homelessness Summit held in December 2012; Project 180/2020, which is the local chapter of the national Zero: 2016 Campaign (formerly 100,000 Homes); and Project Homeless Connect Santa Cruz, which every year puts on a one-day event to connect homeless people directly to a plethora on needed services. These organizations came together to develop in 2014 to develop a new homeless strategic plan.

Gaps: A key problem with the homeless assistance systems now is that they can be fragmented and difficult for persons experiencing homelessness or special needs to find the services and housing they need. A new coordinated entry system is being implemented that will better target what is best for a family/individual out of range of available option.

Overall funding is inadequate given the scale of need for existing and new homeless assistance programs. Lack of affordable housing is the largest barrier to ending chronic homelessness and providing for individuals with special needs. Santa Cruz County has one of the most expensive rental housing markets in the nation making it extremely difficult to find affordable housing; moreover, countywide only 406 existing beds of permanent housing are set aside for chronically homeless persons (the number of beds in the City is lower). The majority of these beds are for chronically homeless veterans only. In the case of all chronically homeless individuals, the primary need is for permanent supportive housing.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

All In – Toward a Home for Every County Resident (“All In”), the 2015 strategic plan to end homelessness identifies the following components based on national best practices and local experience that are needed to make true progress in reducing and eventually ending homelessness. The City intends to continue to work with the CoC in achieving these goals.

- *Restoring, preserving, and increasing the resources of the homeless assistance system*, including homeless prevention, a range of housing options, and supportive services.
- *Increasing the supply of and increasing access to affordable housing* so that all Santa Cruz County residents can eventually afford a stable home of their own.
- *Ensuring a well-functioning safety net* so that all households who are at risk of or experiencing homelessness have access to shelter, mainstream resources, public benefits, and quality health care; implementing coordinated entry will be priority to ensure the system is as efficient as possible.
- *Reaching all homeless populations* to ensure the unique and multiple needs of each person are recognized and addressed in a holistic way. Special populations include but are not limited to families, unaccompanied minor youth, victims of domestic violence, seniors, persons who have been convicted of a crime, persons with a disability, persons who are chronically homeless, persons with HIV/AIDS, persons who are LGBTQ, veterans, persons with limited English proficiency, and persons who are undocumented.
- *Providing a system that is truly countywide*, so that housing and supportive services are appropriate and accessible for each sub-region of the county.
- *Ensuring harm reduction, trauma-informed, and asset-based principles are embraced* in order to provide housing and services with care, dignity, and respect to all people.
- *Holding the homeless system accountable to the highest quality of services* to ensure that dollars are put to their best use and consumers are provided with respect, support, and advocacy that empowers the consumer to be his or her own agent of change.
- *Putting the safety and well-being of clients, providers, and community first* by making sure programs are located, designed, and structured so that all people are comfortable and safe.
- *Improving efforts to prevent public and private institutions from discharging individuals into homelessness.*
- *Expanding cultural competency and consumer choice* to respect the unique situation and aspirations of each individual who interacts with the homeless assistance system.
- *Creating meaningful avenues for community engagement, dialogue, and participation* on issues of homelessness and its impact.

SP-45 Goals Summary – 91.215(a)(4)

Table 52 – Goals Summary

1	GOAL NAME	Increase and preserve affordable housing.			
	PERIOD	Start Year: 2015	End Program Year: 2019		
	CATEGORY	Affordable Housing			
	AREA	City-wide; Code Enforcement Target Areas			
	NEEDS ADDRESSED	Preserve existing rental housing and increase the amount and affordability of rental housing for the City’s lowest income renters.			
	FUNDING	CDBG:	\$627,500	RDA Bond Proceeds	\$4,000,000
		HOME:	\$1,384,670	AHTF	\$200,000
		LIHTC:	\$2,000,000	Red Cross	\$55,000
		State -Grant	\$1,000,000		
	GOAL OUTCOME INDICATOR	Homeowner Housing Added:	1 Household Housing Unit		
		Tenant-based rental assistance / Rapid Rehousing:	50 Households Assisted		
		Homelessness Prevention:	20 Persons Assisted		
		Housing Code Enforcement:	50 Household Housing Unit		
	GOAL DESCRIPTION	Includes development or rehabilitation of affordable housing, creation of affordable units under the City’s inclusionary housing program, development of affordable Accessory Dwelling Units code enforcement and other preservation efforts, and the security deposit program.			
2	GOAL NAME	Revitalize community facilities & infrastructure.			
	PERIOD	Start Year: 2015	End Program Year: 2019		
	CATEGORY	Non-Homeless Special Needs; Non-Housing Community Development			
	GEOGRAPHIC AREA	Priority = Neighborhood Revitalization Strategy Area (NRSA); Secondary Priority = Low Income Target Areas;			
	NEEDS ADDRESSED	Community Infrastructure Improvements			
	FUNDING	CDBG:	\$682,500		
	GOAL OUTCOME INDICATOR	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit:	5250 Persons Assisted (NRSA population)		
	GOAL DESCRIPTION	Low Income Target Area Improvements: 1) Sidewalk Improvements. 2) Pedestrian crossing improvements. 3) Lighting Improvements. City-wide - handicapped ramps at intersections. Park/Rec Facility improvements (Per Parks Plan). Non-Profit Organization Facility Improvements TBD.			

3	GOAL NAME	Support County-wide Homeless Strategic Plan.		
	PERIOD	Start Year: 2015	End Program Year: 2019	
	CATEGORY	Homeless		
	GEOGRAPHIC	City-wide		
	NEEDS ADDRESSED	Homeless Assistance Programs		
	FUNDING	CDBG:	\$75,000	
		General Fund	\$1,808,000	
	GOAL OUTCOME INDICATOR	Public service activities other than Low/Moderate Income Housing Benefit:	3,000 Persons Assisted	
		Homeless Person Overnight Shelter:	2,800 Persons Assisted	
GOAL DESCRIPTION	Funding provided for homeless services including shelter and day essential services. Outcome goal only represents CDBG funding for the Day Essential Services Center and the Paul Lee Loft. The Winter Shelter and other homeless facilities and services are included in the funding amounts but not the Outcomes. Rapid Rehousing is included under a previous housing goal since the Security Deposit Program is not limited to use by homeless persons.			

4	GOAL NAME	Provide community and supportive services.		
	PERIOD	Start Year: 2015	End Program Year: 2019	
	CATEGORY	Non-Housing Community Development		
	GEOGRAPHIC AREA	First Priority = Neighborhood Revitalization Strategy Area (NRSA); Second Priority = Low Income Target Areas; Other Priority = Low Income Persons City-wide		
	NEEDS ADDRESSED	Community Services and Youth Programs		
	FUNDING	CDBG:	\$675,000	
		General Fund:	\$4,000,000	
		Red Cross Funds:	\$125,000	
	GOAL OUTCOME INDICATOR	Public service activities other than Low/Moderate Income Housing Benefit:	5250 Persons Assisted (Based on population in NRSA)	
GOAL DESCRIPTION	Continue to provide partial funding for the City's Community Programs with a focus on providing assistance to households in the City's NRSA and Low Income Target Areas, including the minority Hispanic Community in these areas.			

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

See Goals Descriptions above.

SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

Not applicable.

Activities to Increase Resident Involvements

Continue with representatives on Commission.

Is the public housing agency designated as troubled under 24 CFR part 902?

No.

Plan to remove the 'troubled' designation

Not applicable.

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

Lack of Affordable Housing Funding and Cost of Development: With the dissolution of redevelopment in California, the City of Santa Cruz has lost its most powerful tool and funding mechanism to provide affordable housing in the community. Funding at the State and Federal levels has also continued to experience significant cuts. With reduced funding and increased housing costs, the City faces significant challenges in providing affordable and decent housing opportunities for its lower and moderate income residents, especially those with extremely low incomes. The situation is exacerbated by state Prevailing Wage and federal Davis Bacon wage requirements as well as California’s environmental review requirements, all of which add to the cost of housing.

Planning and Development Fees: Development fees and taxes charged by the City also contribute to the cost of housing. Building, zoning, and site improvement fees can significantly add to the cost of construction and have a negative effect on the production of affordable housing. The City charges fees to offset the costs associated with permit processing. When compared to other agencies in the region, the City of Santa Cruz’s permitting fees are reasonable.

Permit and Processing Procedures: The processing time required to obtain approval of development permits is often cited as a contributing factor to the high cost of housing. For some proposed development projects, additional time is needed to complete the environmental review process before an approval can be granted. Unnecessary delays add to the cost of construction by increasing land holding costs and interest payments. However when compared to other local jurisdictions, the City processes entitlements and permits within a reasonable period of time.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Encouraging Higher Density and/or Small Unit Development: The City is currently in the process of amending the zoning ordinance to: (1) encourage higher density development along transportation corridors; (2) increased accessory dwelling units development in single family neighborhoods by further relaxing zoning requirements; and (3) creating new small rental and starter home ownership units through a combined small ownership unit and single room occupancy zoning provision.

Planning and Development Fees: In the past, the City has provided fee waivers for affordable housing development. This is being reconsidered at this time.

Permit and Processing Procedures: The permit process in the City of Santa Cruz may be considered a constraint to housing production. The City is continuing to improve and streamline the development review process and to evaluate regulations to identify and reduce unnecessary impediments to housing development and affordable housing projects.

SP-60 Homelessness Strategy – 91.215(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Over the years, Santa Cruz County agencies, nonprofits, and faith groups have developed a range of services to help overcome homelessness and meet other related needs. Some of these programs which include outreach work are not directly part of a shelter or housing program. The following are the primary vehicles for outreach to homeless persons used within the City of Santa Cruz:

Downtown Outreach Worker: The City funds an outreach worker for the downtown that is provided by Encompass to help connect homeless persons in Downtown Santa Cruz with services.

Homeless Services Center (HSC): HSC has caseworkers that help assist sheltered and unsheltered homeless persons access services.

Homeless Persons Health Project (HPPH): HPPH, located at the HSC Campus, does medical outreach to homeless at 23 sites around the county; serving 3,000 persons per year.

VA Mobile Medical Outreach: Program at the Veterans Memorial Building (VMB) in the City of Santa Cruz to provide healthcare and linkage to primary/specialty care for veterans.

Outreach and assessment strategies included in *ALL IN* the 2015 county-wide homeless strategic plan include:

Priority 1: Transforming the Crisis Response System

- **Strategy:** (1) Implement coordinated entry system with using VI-SPDAT standardized assessment tool; (2) Integrate street outreach and day centers with coordinated entry, so that the system assesses all unsheltered persons.

Priority 3: Integrating Systems and Community Support

- **Strategies:** Increase networking of street outreach mental health and law enforcement personnel for appropriate service responses and improved community relations.

Priority 4: Ending Chronic & Other Adult Homelessness

- **Strategy:** Redouble street outreach to contact more persons experiencing homelessness and assess their needs.

Priority 7: Initiating a Response to Youth & Young Adult Homelessness

- **Strategies:** Increase mobile outreach with basic needs resources at locations where youth gather, e.g., downtown and Capitola Mall.

Priority 8: Ending Veteran Homelessness

- **Strategies:** Conduct outreach to veterans and families at-risk of housing loss and widely advertise SSVF and other prevention programs.

Addressing the emergency and transitional housing needs of homeless persons

The following recommended action strategies from “All In”, the 2015 County-wide homeless strategic plan, as it relates to the City of Santa Cruz.

Priority 1: Transforming the Crisis Response System.

- **Strategies:** (1) Maintain existing emergency shelters to meet the pressing unsheltered need; and (2) Engage the community around developing additional emergency and interim services for unmet health and safety needs of persons living outdoors, including small shelters around the county, warming centers, and improvements to existing shelters.

Priority 7: Initiating a Response to Youth & Young Adult Homelessness.

- **Strategies:** (1) Create a central point-of-contact and services for youth and young adults that includes a day center with counseling and comprehensive resources (including mainstream benefits), and an emergency shelter; (2) Explore funding through ESG and Youth Basic Center grants; (3) Support and increase all programs for existing and former foster youth, including ... the Independent Living Program, and Transitional Living Program; and (4) Develop a menu of additional youth/young adult-focused housing options, including transitional housing, permanent supportive housing, affordable housing, increased Family Unification Program vouchers, college housing, and group housing.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The following is an overview and recommended action strategies from “All In”, the 2015 homeless strategic plan, as it relates to the City of Santa Cruz.

Overview

As mentioned earlier, affordable housing is both a cause of and solution to homelessness. For many people (including families, veterans, and youth), a short-term housing subsidy and stabilizing case management is all that is needed to regain stable housing. For chronically homeless people who are disabled or medically vulnerable and require additional time and supports, permanent supportive housing has proven to be a cost efficient and effective intervention. For the rest who are struggling with high rents and low paying jobs, subsidized, affordable housing will end their homelessness. Recognizing the unique affordability and development limitations in our county, we are challenged to find creative solutions for the range

of permanent and affordable housing options needed to address homelessness and fit well into the community fabric.

The following are recommended action strategies from “All In”, the 2015 homeless strategic plan, as it relates to the City of Santa Cruz.

Action Strategies

Short-Term

1. Expand rapid rehousing programs, in collaboration with existing interim housing providers, to enable more households to quickly escape shelter and return to housing. Blend funding from varied sources to meet the scale of need.
2. Create a new housing pipeline initiative, combining varied funding to expand the supply of permanent supportive housing, including development, master leasing, and scattered sites; work with local jurisdictions to address relevant land use issues. Consider innovative leasing and purchase approaches.
3. Through coordinated entry, prioritize access to rapid rehousing and permanent supportive housing based on severity of need.
4. Widely adopt a Housing First approach, providing low barrier access to units and delivering services to stabilize housing.
5. Create 60 new “limited local preferences” per year for persons experiencing homelessness on the Housing Choice waiting list.
6. Consider converting existing transitional housing programs to permanent supportive housing.
7. Encourage agencies and collaboratives to apply for all possible funds (e.g., CoC bonus funds) available for new housing.
8. Develop a landlord outreach and incentive program to recruit new housing partners and increase usage of housing subsidies.

Long-Term

9. Participate in national and state advocacy for more funds (e.g., CoC program, state bonds, redevelopment successor funding).
10. Explore innovative housing models, such as “tiny houses” and relaxed second-unit rules
11. Consider modifications to existing density bonus programs that may work in Santa Cruz County.
12. Support community efforts to preserve and develop site-based affordable housing opportunities, including for workers, seniors, and disabled persons; encourage income targeting to extremely low-income persons at risk of homelessness

In addition to the above, the Homeless Action Partnership is developing and implementing CoC performance measures that include (1) Shortened spells of homelessness; (2) faster placements in permanent housing; and (3) Reduced homelessness recidivism.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

To achieve the goal of preventing persons and families from homelessness, it is necessary to better assess people's need and barriers; target prevention and diversion resources to those most at risk of entering shelter; equipping providers with the necessary resources to quickly re-house people; and further coordinating outreach for those currently on the streets. Prevention also requires addressing the policies of jails, hospitals, and other institutions that discharge people to the streets. As mentioned earlier, the CoC has developed and implemented specific discharge planning protocols and procedures to prevent homeless among persons leaving the mental health and public health systems, as well as the foster care and corrections systems.

Moreover, the following recommended action strategies from "All In", the County-wide 2015 homeless strategic plan, as it relates to the City of Santa Cruz.

Priority 1: Transforming the Crisis Response System

- **Strategies** – (1) Expand prevention program funding from varied sources (e.g., CDBG, ESG, and SSVF), clearly link it to coordinated entry, and target prevention resources to those most at risk of entering the shelter system; and (2) Expand a range of safety net programs, including eviction prevention and legal services, mental health and substance abuse treatment, domestic violence programs, and financial literacy to prevent homelessness and reduce shelter use and recidivism.

Priority 4: Ending Chronic & Other Adult Homelessness

- **Strategy:** Support new collaborative program to assist at risk seniors.

Priority 5: Ending Family Homelessness

- **Strategy:** Establish a countywide steering committee of representatives of the key partners serving families to develop a method for identifying families most in need of prevention services.

Priority 8: Ending Veteran Homelessness

- **Strategies:** (1) Continue to expand SSVF for prevention and rapid rehousing; and (2) Continue prevention efforts through VAPAHCS for Medical Outreach linkage to VA health care.

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

California has enacted landmark legislation to prevent childhood lead poisoning. The legislation has established the Childhood Lead Poisoning Prevention Branch (CLPPB) as part of the state government, providing a children's environmental health program with multi-layered solutions to this complex problem. Lead paint hazards are monitored by the California Department of Public Health (CPDH). As of 2011, the CPDH reported a total of 31 cases or less than 1% of 3,454 children tested in Santa Cruz County of persons age 21 and younger with elevated blood lead levels (of 9.5 micrograms per deciliter (mg/dL) or higher).

In Santa Cruz, lead poisoning is addressed by the Santa Cruz County Health Services Agency (HSA) under the Childhood Lead Poisoning Prevention Program (CLPPP). Under this program Public Health Nurses:

- Conduct home visits to children with high blood lead levels.
- Identify possible sources of lead in the home and test items such as pottery.
- Provide health education, monitor lead levels, and encourage medical follow-up, as needed.
- Assist medical providers to manage lead poisoning in their patients.

Registered Environmental Health Specialists:

- Conduct environmental home inspections to children with high blood lead levels.
- Identify and manage testing for possible lead sources such as paint, soil, dust and food products.
- Follow-up with home owners with recommendations for eliminating sources of lead in the home and the surrounding area.
- Follow-up with home owners to make sure environmental lead sources have been eliminated.
- Provide recommendations to families to reduce contact with lead.

The City of Santa Cruz has complied and continues to comply with lead-based paint regulation since the enactment of Title X of the Housing and Community Development Act of 1992. The Act requires all State and local jurisdictions that receive funding from the Community Development Block Grant Program and HOME Program adherence to all federal lead-based paint regulations. Other organizations which receive federal funds are also required to adhere to these regulations.

How are the actions listed above related to the extent of lead poisoning and hazards?

Integrating lead paint hazard identification and mitigation into existing programs is the most efficient and effective strategy to mitigate hazards, given budget constraints and limited HUD block grant funding. In addition, the City is committed to distributing educational materials whenever possible.

How are the actions listed above integrated into housing policies and procedures?

The City has worked closely with housing partners to reduce and/or eliminate exposure to lead based paint in housing units by providing funding to mitigate LBP as part of the overall rehabilitation of rental properties. The City will continue this effort in the next five years.

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

The County of Santa Cruz Health Services Agency (HAS) is the primary agency responsible for providing a wide range of health services, social services and direct assistance to persons and families living in poverty conditions. The County administers the CAL WORKS Program, which is designed to move welfare recipients from dependency to self-sufficiency through employment. As a part of this effort the County oversees the Welfare-to-Work program, which is an employment program that helps families receiving CalWORKs cash aid become self-sufficient by providing job search assistance and job training opportunities. Job related education and training are provided through the County and the Community College Districts.

The City priorities to improve the quality of life for low-income households and neighborhoods and reduce the overall number of persons living in poverty support strategies that augment these County efforts. Although the City always meets the CDBG requirement for “Area Benefit” where at least 51 percent of residents in an area are low and moderate income, the social services providers funded with City CDBG funds actually exceed this requirement. Typically over 90 percent of those that receive services are low and moderate income households. Likewise, CDBG funded social service providers serving “Limited Clientele” typically over 90 percent of those served are very or extremely low income persons.

In support of community development goals, the City of Santa Cruz supports the following Programs as priorities to reduce the number and improve the lives of persons living in poverty.

1. **Rental Assistance.** The City will continue to work with owners of project based HUD Section 8 developments to encourage them to renew HUD contracts to provide rental assistance for low income households.
2. **Security Deposit Program.** HOME funds are used to help households pay security deposits in order to access affordable housing.
3. **Childcare.** The City’s Community Programs provides on-going support of childcare providers.
4. **Workforce Investment Board (WIB).** The Director of the Economic Development participates on the WIB Board, which brings together the business and education communities, local government, and residents of Santa Cruz County to address local and regional workforce issues. The WIB also manages the employment services funded by the federal Workforce Investment Act, which train and deploy workers, retrain employees who have been laid off and help all workers gain the skills they need to enter and prosper in the labor market.
5. **Encompass Community Resources Head Start & Families Together Programs.** Encompass operates Head Start programs which support school readiness and promotes healthy families through delivery of education, health and social services and Families Together, which is an innovative child and family development program providing home-based services with the overall goal to reduce the number of re-referrals to Child Welfare Services by improving child and family well-being.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan.

Expanding and preserving affordable housing opportunities will reduce the housing cost burden of households living in poverty. Therefore, a portion of the disposable income may be used to pursue other educational or career goals, as well as for other daily necessities. Also, the City's anti-poverty efforts complement its plans to preserve and improve existing affordable housing by providing additional stability and resources to low-income households.

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City has three basic types of monitoring.

- 1. Project Development:** Direct monitoring of activities occurs while projects are being developed or implemented. Before initiating and/or funding any project/program, the City enters into an agreement with the recipient which spells out all requirements or obligations dictated either by HUD or the City. Over the life of the agreement, City staff ensures compliance by reviewing periodic reports, special reports for items such as Davis Bacon compliance, and conducts a budget line item approval for any funding request.
- 2. CDBG Operation Funding:** The second type of monitoring is for CDBG operation funding for social service providers. Each sub-recipient is required to submit a quarterly or semi-annual report (depending on funding levels) detailing services that were provided and client statistics as required. These reports are reviewed to ensure that the organization is in compliance with both City and HUD regulations. Staff also conducts on site monitoring as needed.
- 3. Multi-year Programs or Projects:** The third type of monitoring is for programs or projects where obligations extend beyond the development period. For the City, this mostly applies to affordability requirements for housing programs or projects. Deed restrictions and/or Development Agreements are typically the tools to monitor compliance. For on-going monitoring of housing projects, the City has three types of programs: (1) development or major rehabilitation projects; (2) affordable housing inclusionary units; and (3) affordable housing fee waiver program recipients. The responsibility for monitoring depends on the funding source, City regulations, written regulatory agreements between the City and the property owner or developer, and housing codes.

For HOME Program assisted projects, the developer, or recipient of the funding, signs a HOME Regulatory Agreement, Financing Agreement, Promissory Note, and Deed of Trust, depending on the specific project. These instruments secure the investment of HOME funds as well as the affordability of the project. The City maintains an annual monitoring schedule in compliance with HUD requirements, which includes periodic on-site inspections and a review of owner's records. For HOME assisted projects that have more than 5 HOME units, this includes review of their affirmative marketing plan. Staff conducts annual monitoring in the first part of each year.

HCD staff takes the lead in monitoring affordable projects when the City is the only or primary funding source or the City's affordability requirements for the project are the most stringent. When another funding source has more rigorous requirements, typically the City will receive copies of those monitoring reports to ensure compliance with City agreements and HUD funding requirements.

All agreements include affirmative action requirements to ensure equal employment opportunity. The evaluation of sub-recipients or contractor's compliance with requirements is based upon their efforts to achieve maximum results. Among other EEOC requirements, they must maintain a current list of minority and women recruitment sources provide written notification to minority and women recruitment sources and to community organizations when employment opportunities are available.

Under the guidance of the City Attorney's Office, violations are dealt with on a case-by-case basis. No matter what monitoring procedures are put in place, there is by necessity a need to rely upon the honesty of self-reporting by both the property owner and the tenant. To provide the necessary monitoring, the City continues to balance the need for tenant privacy/boundaries and the need to monitor the units.

2015-2016 ACTION PLAN

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The City of Santa Cruz is a CDBG and HOME Program entitlement jurisdiction and anticipates receiving approximately \$501,020 in CDBG funds and \$241,735 in HOME funds for 2015-2016 Program Year. The City does not receive funding under HUD’s other two entitlement programs which include the Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) programs. In terms of program income, the City receives only a small annual amount from scheduled loan payments with larger amounts coming from periodic loan payoffs. Program income for the 2015-2016 Program Year is expected to be \$59,139 for the CDBG Program and \$3,802 for the HOME Program. CDBG Program Income is typically about \$8,000 per year. The larger amount represents a loan payoff.

This section is intended to describe various resources that are expected to be available to meet the goals of the 2015 – 2020 Five-year Consolidated Plan. The list does not include all sources that eventually are expected to be used. These Resources are financial, involve partnership opportunities, and include ability to leverage additional funds.

Table 53 - Expected Resources – Priority Table

PROGRAM	SOURCE OF FUNDS	EXPECTED AMOUNT IN \$ AVAILABLE YEAR 1				Expected Amount Available Reminder of ConPlan \$
		Annual Allocation	Program Income	Prior Year Resources	Total	
CDBG	PUBLIC - FEDERAL	501,020	59,139	0	560,159	2,000,000
		Allowed Use of Funds	Acquisition; Admin and Planning; Economic Development; Housing; Public Improvements; Public Services			
		Narrative Description	City receives funds annually from HUD. Used to fund Community Programs; Code Enforcement, Infrastructure & Facility Improvements; and 2 Housing Programs and Delivery Costs.			
HOME	PUBLIC - FEDERAL	241,735	3,802	300,000	545,537	960,000
		Allowed Use of Funds	Acquisition; Admin and Planning; Economic Development; Housing; Public Improvements; Public Services			
		Narrative Description	City receives funds annually from HUD. Used to fund Housing Development, rehab, and Security Deposit Program.			

PROGRAM	SOURCE OF FUNDS	EXPECTED AMOUNT IN \$ AVAILABLE YEAR 1				Expected Amount Available Remainder of ConPlan \$
		Annual Allocation	Program Income	Prior Year Resources	Total	
LIHTC	PUBLIC - FEDERAL	0	0	0	0	2,000,000
		Allowed Use of Funds	Federal Low Income Housing Tax Credits (LIHTC) are used for acquisition; Housing; Multifamily rental new construction; Multifamily rental rehab			
		Narrative Description	Funding is dependent upon individual projects competitively applying for and receiving tax credits. Estimate is conservative, based on potential projects now being considered.			
TAX EXEMPT BOND PROCEEDS	PUBLIC - LOCAL	0	0	0	0	7,300,000
		Allowed Use of Funds	Acquisition; Admin and Planning; Economic Development; Housing; Public Improvements; Public Services			
		Narrative Description	Funding is based on potential release of bond proceeds from the former Redevelopment Agency which is dependent upon State actions. If released the majority of funds are already committed to Metro Project.			
OTHER- State Grant Programs	PUBLIC - STATE	0	0	0	0	2,000,000
		Allowed Use of Funds	Cap and Trade Grants can be used for transit Oriented Development (TOD) housing projects including acquisition and development.			
		Narrative Description	City will apply for a grant for Metro Project. Actual amount of request will be determined at that time. Other State funds may be available for other future projects as well.			
OTHER - AHTF	PUBLIC - LOCAL	0	0	0	0	1,400,000
		Allowed Use of Funds	City's Affordable Housing Trust Fund is used to fund affordable housing development and preservation and limited administration.			
		Narrative Description	Most flexible funding source since it is controlled by the City.			
OTHER – RED CROSS FUNDS	PUBLIC - LOCAL	100,000	0	0	47,000	188,000
		Allowed Use of Funds	Beach Flats Community Center operating expenses; Security Deposit Program and Emergency Housing Assistance for the Beach Flats and Lower Ocean Street neighborhoods.			
		Narrative Description	Use of funding to be approved by Red Cross.			

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The extent of needs in the City Santa Cruz far exceeds the available funding from the CDBG and HOME programs. Most activities to be pursued by the City with CDBG and HOME funds will be leveraged with a variety of funding sources, including: grants from State, Federal, and local governments; private foundations; capital development funds; general funds; private donations of funds or services; and other various funding sources. With the demise of Redevelopment Agencies in California, the federal Low Income Housing Tax Credit (LIHTC) program has become an increasingly more important source of funding for affordable housing. The City also intends to apply for new state Cap and Trade funding for transit oriented housing development. Cap-and-trade is a market based regulation that is designed to reduce greenhouse gases (GHGs) from multiple sources. The state has allocated some of the income from this program for affordable housing.

Federal match requirements apply to the City's HOME funds. The HOME program requires that for every HOME dollar spent, the City must provide a 25 percent match with non-federal dollars. Currently, the City still maintains an excess in match requirements from previous fiscal years of almost over \$9 million. This excess match will fulfill the City's HOME match requirements for many years at the current level of HOME funding.

Given the limited annual allocations in CDBG and HOME funds, the City may consider pursuing new Section 108 loans within the five-year Consolidated Plan period in order to support large-scale public improvements or housing projects. (Note that this was not included in the list above but may be added as an amendment at a later date.)

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City has long-term leases of City-owned property with non-profit organizations that address the needs identified. Programs operating in leased City-owned properties include:

- Housing Developments including Neary Lagoon, Nueva Vista, Sycamore Commons, the Tannery, and Gault Street Senior Housing.
- Beach Flats Community Center.
- Homeless Services Center.

Discussion

See discussions above.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Table 54 – Goals Summary

1	GOAL NAME	Increase and preserve affordable housing.		
	PERIOD	Start Year: 2015	End Program Year: 2019	
	CATEGORY	Affordable Housing		
	GEOGRAPHIC AREA	City-wide; Code Enforcement Target Areas		
	NEEDS ADDRESSED	Preserve existing rental housing and increase the amount and affordability of rental housing for the City's lowest income renters.		
	FUNDING	CDBG:	\$125,500	
		HOME:	\$125,000	
		Red Cross Funds:	\$22,000	
	GOAL OUTCOME INDICATOR	Homeowner Housing Added:	1 Household Housing Unit	
		Tenant-based rental assistance / Rapid Rehousing:	50 Households Assisted	
		Homelessness Prevention:	20 Persons Assisted	
		Housing Code Enforcement:	50 Household Housing Unit	
	GOAL DESCRIPTION	For the 2015-16 Program Year, includes: (1) development of 1 ownership unit by Habitat for Humanity; (2) provision of about 50 security deposits and 20 emergency housing assistance grants; (3) housing preservation through the Code Enforcement Program in low income areas; and (4) Program delivery costs for the Security Deposit and Rehab Programs.		
2	GOAL NAME	Revitalize community facilities & infrastructure.		
	PERIOD	Start Year: 2015	End Program Year: 2019	
	CATEGORY	Non-Homeless Special Needs; Non-Housing Community Development		
	GEOGRAPHIC AREA	Priority = Neighborhood Revitalization Strategy Area (NRSA); Secondary Priority = Low Income Target Areas;		
	NEEDS ADDRESSED	Community Infrastructure Improvements		
	FUNDING	CDBG:	\$182,436	
	GOAL OUTCOME INDICATOR	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit:	5250 Persons Assisted (Based on Population in NRSA)	
	GOAL DESCRIPTION	2015-16 Program Year includes: (1) development of ownership unit by Habitat for Humanity; (2) provision of up to 50 security deposits and 20 emergency housing assistance grants; (3) housing preservation through the Code Enforcement Program; and (4) Program delivery costs for the Security Deposit and Rehab Programs.		

3	GOAL NAME	Support County-wide Homeless Strategic Plan.		
	PERIOD	Start Year: 2015	End Program Year: 2019	
	CATEGORY	Homeless		
	GEOGRAPHIC AREA	City-wide		
	NEEDS ADDRESSED	Homeless Assistance Programs		
	FUNDING	CDBG:	\$15,000	
		General Fund	\$361,600	
		Red Cross Funds:	\$22,000	
	GOAL OUTCOME INDICATOR	Public service activities other than Low/Moderate Income Housing Benefit:	1250 Persons Assisted	
		Homeless Person Overnight Shelter:	570 Persons Assisted	
GOAL DESCRIPTION	Funding provided for homeless services including shelter and day essential services. Outcome goal only represents CDBG funding for the Day Essential Services Center and the Paul Lee Loft. The Winter Shelter and other homeless facilities and services are included in the funding amounts but not the Outcomes. Rapid Rehousing is included under a previous housing goal since the Security Deposit Program is not limited to use by homeless persons.			

4	GOAL NAME	Provide community and supportive services.		
	PERIOD	Start Year: 2015	End Program Year: 2019	
	CATEGORY	Non-Housing Community Development		
	GEOGRAPHIC AREA	Priority = Neighborhood Revitalization Strategy Area (NRSA); Secondary Priority = Low Income Target Areas; Low Income Persons City-wide		
	NEEDS ADDRESSED	Community Services and Youth Programs		
	FUNDING	CDBG:	\$135,000	
		General Fund:	\$1,154,000	
		Red Cross Funds:	\$25,000	
	GOAL OUTCOME INDICATOR	Public service activities other than Low/Moderate Income Housing Benefit:	5250 Persons Assisted (Based on population in NRSA)	
	GOAL DESCRIPTION	Continue to provide partial funding for the City's Community Programs with a focus on: (1) providing assistance to households in the City's NRSA and Low Income Target Areas, including the minority Hispanic Community in these areas; and (2) homeless services.		

Projects

AP-35 Projects – 91.220(d)

Introduction

This section includes the projects proposed for the 2015-2016 Program Year.

Table 55 - Project Information

#	Project Name
1	ADA Ramps, Sidewalks, and other Pedestrian Improvements
2	Code Enforcement in Target Areas
3	Nueva Vista Community Resource Center Services
4	Teen Center
5	Homeless Services Center Day Essential Services Center/Paul Lee Loft
6	Rehabilitation Program Delivery Costs
7	Security Deposit Program Delivery Costs
8	Security Deposit Program
9	Frederick Street Habitat For Humanity Home
10	CDBG Program Administration
11	HOME Program Administration

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The allocation of funds is closely aligned with the top housing and community development needs identified in the needs assessment, housing market analysis, and input provided during the development of the Consolidated Plan. The major obstacle to addressing the underserved needs is the lack of adequate funding, especially for affordable housing activities. With the dissolution of redevelopment in California and reduced State and Federal funding levels, the City's ability to address the extensive needs in the community is seriously compromised.

AP-38 Project Summary

Project Summary Information

1	Project Name	ADA Ramps, Sidewalks, and other Pedestrian Improvements
	Target Area	Neighborhood Revitalization Strategy Area; Low Income Target Area; ADA Improvements –City- wide.
	Goals Supported	Revitalize community facilities & infrastructure.
	Needs Addressed	Community Infrastructure Improvements
	Funding	CDBG: \$182,436
	Description	This multi-year Project includes construction and/or repair of sidewalks, curbs, gutters, and crossings within the low income target areas, adding or improved lighting where warranted and feasible. Activities during the 2015 Program Year will focus on installation of American Disability Act (ADA) ramps at intersections throughout the City.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 2,000 households or 5,250 persons live within the NRSA, which is the initial area where improvements will initially be constructed. 46% of the residents are Hispanic, 32% are at or below poverty level; over 70% of households are at or below 80% of the City's median household income; 88% live in rental housing; median age is about 28 years old; and the average household size is 2.65 persons.
	Location Description	Priority will be mostly given to the NRSA but ADA ramps will eventually be provided throughout the City.
	Planned Activities	(1) Identify areas where and what types of improvements are needed; (2) develop a phased implementation program; and (3) construct improvements.
2	Project Name	Code Enforcement in Target Areas
	Target Area	Code Enforcement Target Areas Neighborhood Revitalization Strategy Area
	Goals Supported	Increase and preserve affordable housing.
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$95,000; General Fund: \$20,000
	Description	Conduct focused code enforcement activities in Code Enforcement Target Areas.
	Target Date	6/30/2016

	Estimate the number and type of families that will benefit from the proposed activities	Code Enforcement activities will help preserve and/or result in improvement to about 50 properties in the Code Enforcement Target Areas, which will help improve neighborhoods that include about 10,000 households.
	Location Description	Code Enforcement activities will occur in the Code Enforcement Target Areas, with a priority given to areas within the NRSA.
	Planned Activities	Focused code enforcement in target areas. City General funds will be used to provide community education materials, sponsor community clean-ups, and provide presentations at neighborhood meetings when requested.
3	Project Name	Nueva Vista Community Resource Center Services
	Target Area	Neighborhood Revitalization Strategy Area
	Goals Supported	Provide community and supportive services.
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$100,000
	Description	Operating expenses for Nueva Vista Resource Center (formerly known as Familia Center), which is a Latino based community resource center with a primary focus to serve the low income families in the Lower Ocean Street and Beach Flats Neighborhood, including operation of the separate Beach Flats Community Center. Nueva Vista is designated as a qualified CBDO which operates under Community Bridges
	Target Date	6/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	Statistically there are about 10,000 households in the City's NRSA, which is the primary target for these programs.
	Location Description	Client services will take place at Nueva Vista Community Resource Center, located at 711 East Cliff Drive. Youth Programs and Beach Flats neighborhood activities will take place at the Beach Flats Community Center, located at 133 Leibbrandt Avenue.
	Planned Activities	Nueva Vista Resource Center (formerly known as Familia Center), has two programs assisted with CDBG funding. The first program is Client Services which provides assistance to families through advocacy and support, information, referrals, follow up, educational workshops, and youth enrichment programs and emergency food and clothing. The second program is the Beach Flats Community Center which provides youth programs and activities as well as serving as a community center for the neighborhood.

4	Project Name	Teen Center
	Target Area	City-wide but most participating teens are from target areas.
	Goals Supported	Provide community and supportive services.
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$35,000; General Fund: \$120,000
	Description	Operating expenses for Teen Center to provide safe place and programs for teens in low income area of City.
	Target Date	6/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	It's estimated that about 300 Teens participate in the program over the year. Over 50% are from households that are at or below 30% of Area Median Income (AMI) with almost 75% being below 50% AMI.
	Location Description	The Teen Center is located in the Louden Nelson Community Center, located at 301 Center Street.
Planned Activities	The Teen Center has daily activities including a healthy eating program, an outdoor garden, homework assistance with access to 4 computers and free Wi-Fi, games such as foosball and a pool table, and direct access to Laurel Park. The computer stations are complete now with 4 internet connected computers for teens to use. Additionally the Center provides mentorship opportunities for teens. The Teen Center also collaborates with other organizations to provide field trips and other experiences. In the past this has included a 2-day, 2-night camping/white water rafting trip on the American River.	
5	Project Name	Homeless Services Center Day Essential Services Center/Paul Lee Loft
	Target Area	City-wide.
	Goals Supported	Provide community and supportive services.
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$15,000; General Fund: \$360,000
	Description	Operating costs for the Homeless Services Center's Day Essential Services Center/Paul Lee Loft
	Target Date	6/30/2015

	Estimate the number and type of families that will benefit from the proposed activities	The Day Center serves about 1,300 homeless persons a year and the Paul Lee Loft serves about 570 homeless persons. According to the 2013 point in time count, homeless persons primarily using these facilities are typically single (85%), male (66%); Caucasian (over 50% at HSC). City General funds are also used for these two programs plus the Rebele Family Shelter and the Page Smith Community House Transitional Housing/Respite Care Facilities.
	Location Description	Homeless Services Center Campus is located at 115 Coral Street, which is just north of Highway 1 and the City's downtown.
	Planned Activities	Homeless Services Center Day Essential Services Center provides daily food service, laundry, showers, restrooms, lockers, and various social services to the homeless population. The 46 bed Paul Lee Loft shelter is located above Day Center facilities, provides emergency shelter for homeless men and women typically for up to 30 days.
6	Project Name	Rehabilitation Program Delivery Costs
	Target Area	City wide.
	Goals Supported	Increase and preserve affordable housing.
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$15,500
	Description	Provides funding for Unified Housing Rehabilitation Program (UHRP) consultant contract to administer existing UHRP loans and some staff costs for new rehab projects such as the, Garfield Park and Jesse Street Rehabilitation Projects.
	Target Date	6/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	This activity is reported under the actual redevelopment projects. For the 2015-16 Program Year, this will be reported under the Garfield Park Village Rehabilitation Project.
	Location Description	Garfield Park Village is located at 721 Bay Avenue.
	Planned Activities	Consultant contract to administer existing UHRP loans and some staff costs for new rehab projects.
7	Project Name	Security Deposit Program Delivery Costs
	Target Area	City wide.
	Goals Supported	Support County-wide Homeless Strategic Plan; Increase and preserve affordable housing.
	Needs Addressed	Affordable Housing; Homeless Assistance Programs

	Funding	CDBG: \$15,000
	Description	Provides funding for contract with the Housing Authority of Santa Cruz County to process TBRA/Security Deposit Program applicants, oversee implementation of necessary agreements, and provide security deposits.
	Target Date	6/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	50 - 60 households that are low, very-low, and extremely low income and do not have funds available to pay for a security deposit in order to access housing. Program is used to assist the 180/2020 Program in housing the most medically vulnerable and chronically homeless persons. However, this activity is counted under the HOME Program funding that provides the actual security deposits.
	Location Description	City-wide.
	Planned Activities	Applicants screened for eligibility and when approved, checks are processed for landlords.
8	Project Name	Security Deposit Program
	Target Area	City wide.
	Goals Supported	Support County-wide Homeless Strategic Plan. Increase and preserve affordable housing.
	Needs Addressed	Affordable Housing; Homeless Assistance Programs
	Funding	HOME: \$60,000; Red Cross Funds: \$11,000
	Description	Program assists low income households with security deposits for rental housing. The County of Santa Cruz Housing Authority (HA), using CDBG Program Delivery funding, processes applications. The project qualifies for HOME Program funding under 24 CFR, Part 92.205(a) for tenant based rental assistance/security deposits.
	Target Date	6/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	50 - 60 households that are low, very-low, and extremely low income and do not have funds available to pay for a security deposit in order to access housing. Program is used to assist the 180/2020 Program in housing the most medically vulnerable and chronically homeless persons.
	Location Description	City-wide
	Planned Activities	Provide funding for Security Deposits.

9	Project Name	Frederick Street Habitat For Humanity Home
	Target Area	City wide.
	Goals Supported	Increase and preserve affordable housing.
	Needs Addressed	Affordable Housing
	Funding	HOME: \$65,000
	Description	Construct a new single-family home. Construction will utilize self-help labor provided by the participant family and volunteers. The home will be sold to a low-income participant household with 0% interest provided by Habitat. Habitat for Humanity Santa Cruz County is a City approved CHDO.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	One low income family.
	Location Description	Frederick Street at Broadway. Remnant parcel to be given an address at a later date.
	Planned Activities	Construct a 2 bedroom single family home.
10	Project Name	CDBG Program Administration
	Funding	CDBG: \$24,174
	Description	Partial support of 2 staff persons, training and other expenses incurred for operation of the CDBG and HOME Programs and related consultant contracts.
	Target Date	6/30/2016
	Location Description	Economic Development Department offices located at 337 and 330 Locust Street.
	Planned Activities	Administration of CDBG and HOME Programs.
11	Project Name	HOME Program Administration
	Funding	HOME: \$24,174
	Description	Administration of HOME Program. Partial support of 2 staff persons, training and other expenses incurred for operation of the HOME Program and related consultant contracts.
	Target Date	6/30/2016
	Location Description	Economic Development Department offices located at 337 and 330 Locust Street.
	Planned Activities	Not Applicable

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City of Santa Cruz has three levels of geographic based target areas as follows.

Level 1 Low Income Target Areas: The first level of geographic based target areas includes those areas where a concentration of low-income households exists. This means all income-eligible areas in the City of Santa Cruz that qualify for CDBG “Area Benefits” excluding Census Tract 1004, which only contains the University of California at Santa Cruz (UCSC). The HUD CDBG program defines a low-income concentration as any U.S. census block group where 51 percent or more of residents earn 80 percent of median family income or less. Services located in or serving these Low-Income Target Areas are given priority consideration for CDBG funding.

Level 2 Target Area -Code Enforcement Target Areas: Target Areas for CDBG funded Code Enforcement activities is further restricted. Code Enforcement Program Target Areas must: (1) be within a Low-Income Target Area; (2) be in a predominantly residential area; and (3) meet criteria that identify the area as deteriorating or deteriorated. The Program’s definition of a deteriorated area is having one or more of the following conditions: graffiti tags; existing violations or complaints; buildings that are unsafe or in disrepair; vacant/abandoned buildings; unkempt outdoor landscaping; or deleterious land uses/high crime.

Level 3 Target Area: Neighborhood Revitalization Strategy Area (NRSA): In the 2012 PY, the Lower Ocean and Beach/South of Laurel Neighborhood Revitalization Strategy Area (NRSA) was established. The NRSA neighborhoods continue to have the lowest incomes in the City. Over 30% of NRSA households are at or below poverty level, which is about twice as high the City as a whole. The NRSA is also home to highest concentration of Hispanic residents (46% versus 17% city-wide). Additionally although the NRSA only occupies about 3% of the City’s total land area, about 40% of crime outside of the Downtown occurs in the NRSA which includes gang related activities.

Notes for percentages shown in the Geographic Distribution table below:

(1) Only CDBG funds are indicated in the distribution table since HOME funds are used City-wide.

(2) Duplication may occur: For example any funds spent in the NRSA or the CETA are also included in the Low Income Target Areas and at least 50% of Code Enforcement activity occurs in the NRSA so that 50% is counted for both CETA and NRSA.

(3) A portion of funds that may be used anywhere in the City are likely to be used in one of the Target Areas which would in effect increase the percentages. However these funds are not included in the table below.

Table 56 - Geographic Distribution

Target Area	Percentage of Funds
Code Enforcement Target Areas	21
Neighborhood Revitalization Strategy Area	75
Low Income Target Area	90

Rationale for the priorities for allocating investments geographically

The rationale for prioritizing or focusing programs, projects, and services in these Low-Income Target Areas is that they can better serve as a catalyst for change by locating services closer to the highest areas of need. Projects or programs located in or adjacent to a Low-Income Target Area are given more consideration even when their services are provided city-wide since the service, program or project is likely to be more easily accessible to low income households. Also, the potential infusion of money into an area is an added benefit. These areas also tend to have the most deferred maintenance and other neighborhood quality or character issues.

Discussion

See discussion above.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Due to the limited amount that the City receives in HOME and CDBG funds, it is difficult to fund larger new housing developments. The City plans to utilize HOME funds to support its authorized housing activities, including the Security Deposit Program and development of a single family home by Habitat for Humanity. HOME funds will also be allocated to the Jesse Street Project that is currently in the Planning stages may replace an existing 14 unit permanent supportive housing development with 31 new units. Since this project will not be completed in the 2015 Program Year, these units are not included in the tables below. Also in support of housing programs, CDBG funds will be used to provide program delivery costs for the Security Deposit Program and the City's Unified Housing Rehabilitation Program (UHRP).

Table 57 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households to be Supported	
Homeless	10
Non-Homeless	41
Special-Needs	0
Total	51

Table 58 - One Year Goals for Affordable Housing by Support Type

One Year Goals for the Number of Households Supported Through	
Rental Assistance	51
The Production of New Units	1
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	51

Discussion

See above.

AP-60 Public Housing – 91.220(h)

Introduction

The Housing Authority of Santa Cruz County (HA) is not a department of the City of Santa Cruz. However the City does have 3 Public Housing projects owned by the HA.

Actions planned during the next year to address the needs to public housing

The needs of public housing are addressed by the Housing Authority of Santa Cruz County.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Not applicable to the City of Santa Cruz.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable to the City of Santa Cruz.

Discussion

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City of Santa Cruz continues to have a strong commitment to providing services to homeless population as demonstrated by the level of funding provided by the City for homeless services. The priority that is placed on addressing homelessness is also reflected in the 2015-2020 Consolidated Plan.

Currently the Homeless Services Center (HSC) campus is the nucleus for services to homeless within the City of Santa Cruz. In addition to the \$15,000 in CDBG funds allocated to HSC, the City provides about \$215,000 through Community Programs for homeless services, emergency shelters, and transitional housing located on the HSC campus plus about \$100,000 as the City's share of the HAP and winter shelter expenses. This annually amounts to about \$330,000. Additional HOME funds may also be used to provide security deposits to help homeless persons become housed.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

- **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The City of Santa Cruz will continue to support services at HSC, which includes case management of individuals or families to help assess and provide for their needs. The City will also encourage providers' participation in the new coordinated entry program, when implemented. In addition, the City has the following programs that provide outreach in the City's Downtown.

- **Downtown Outreach Worker** engages homeless individuals in the City's downtown and connects them to needed resources such as mental health or substance abuse treatment, social services, physical health services, financial benefits, transportation, meals, emergency shelter and longer term housing. The goal is to reduce the need for criminal justice involvement and psychiatric hospitalization, and assist individuals in making the transition out of homelessness.
- **Maintaining Ongoing Stability through Treatment (MOST) team** provides a County case worker that serves as a liaison between the County's Mental Health programs and the City's Police Department to help provide rapid response to calls for mental health support and crisis intervention primarily in the City's downtown.
- **Downtown Accountability Programming (DAP)** offers services such as treatment for substance abuse and mental health to people who routinely are arrested downtown for intoxication, illegal camping or other problems. Police and other city staff collaborate with service providers, prosecutors and the courts to keep chronic offenders and the most vulnerable homeless people out of a cycle of citations, arrests and recidivism.

• Addressing the emergency shelter and transitional housing needs of homeless persons

The City funds agencies providing 186 year round shelter beds and 100 seasonal shelter beds. These include the following:

ORGANIZATION	BEDS	SUBPOPULATION SERVED
Homeless Services Center		
▪ Rebele Family Shelter	96	Families with children
▪ Paul Lee Loft Shelter	46	Adult men and women
▪ Winter Shelter-Armory	100	Adults and families
▪ Recuperative Care center	12	Adult men and women
Encompass Community Services		
▪ River Street Shelter	32	Adults mostly with mental illness
▪ TOTAL	286	

The City also supports and facilitates a variety of transitional housing programs that operate in Santa Cruz, such as HSC’s 40-bed Page Smith Community House and FIT’s scattered site transitional programs.

• Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

As stated in “All In”, the County-wide strategic plan to end homelessness, “affordable housing is both a cause of and solution to homelessness. For many people (including families, veterans, and youth), a short-term housing subsidy and stabilizing case management is all that is needed to regain stable housing. For chronically homeless people who are disabled or medically vulnerable and require additional time and supports, permanent supportive housing has proven to be a cost efficient and effective intervention. For the rest who are struggling with high rents and low paying jobs, subsidized, affordable housing will end their homelessness. Recognizing the unique affordability and development limitations in our county, we are challenged to find creative solutions for the range of permanent and affordable housing options needed to address homelessness and fit well into the community fabric.”

The following are strategies or programs that will be implemented during the 2015-2016 Program Year.

- “All In” Strategy 2.3: Through coordinated entry, prioritize access to rapid rehousing and permanent supportive housing based on severity of need. (This will be done in coordination with the HAP.)

- Rapid Rehousing: Continue to use HOME Program and Red Cross funds to provide security deposits to facilitate access to rental housing.

- **Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

Also from “All In”, the County-wide strategic plan to end homelessness, “Reducing and eventually ending homelessness will require a more streamlined and targeted crisis response system that quickly and compassionately assesses a household’s needs and provides tailored resources for persons in crisis.We can achieve this goal by better assessing people’s need and barriers; targeting prevention and diversion resources to those most at risk of entering shelter.....”

The following are strategies that will be addressed during the 2015-2016 Program Year.

- Target prevention resources to those most at risk of entering the shelter system, including working with the County-wide HAP to prioritize prevention projects for California State ESG Program funding.
- Continue Emergency Housing Assistance through The Shelter Program under the Community Action Board with funding from the City’s General Fund and limited Red Cross funds which can be used only in the Beach Flats and Lower Pacific neighborhoods.
- Address the “All In” strategies regarding at risk seniors by developing a pilot program to help at risk senior homeowners remain in their homes through a combination of rehab and accessory dwelling unit development in partnership with Habitat for Humanity.

Discussion

See discussions above.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

This section describes the City's plan to address barriers in affordable housing identified Section SP-40 of the Consolidated Plan, which include:

- Lack of Affordable Housing Funding and Cost of Development.
- Planning and Development Fees.
- Permit and Processing Procedures.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Lack of Affordable Housing Funding and Cost of Development: The City has several dedicated sources of funding for affordable housing including affordable housing set-aside funds remaining under the Successor Agency (Housing) following the closure of the City's Redevelopment Agency, the annual HOME Program grant, and in lieu funds which are deposited into the City's Affordable Housing Trust Fund. These funds are limited and cannot provide amount of affordable housing that is needed so that these funds must be heavily leveraged. Without the ability to significantly increase these funding sources, the City's strategy to address this barrier is to encourage development of housing through development incentives or developer requirements to provide affordable inclusionary housing. The following activities will be pursued under the 2015-2016 Action Plan.

- Work with developers to encourage affordable housing development under the inclusionary housing ordinance and density bonus ordinance.
- Encouraging smaller units and higher densities will help lower developer and housing costs. During the 2015-2016 Program Year, the City will be revising the zoning ordinance to allow higher densities along transit corridors. Reduction of parking rates will also be considered which will significantly impact the number of units that can be built, and therefore the cost of development per unit. .
- The City's current Small Ownership Unit ordinance which encourages small starter homes will be amended to eliminate barriers for developers to finance this unusual type of housing.
- Implement an amnesty program for existing illegal accessory dwelling units (ADUs) that would carry an affordable component.
- Encourage the development of new ADUs through the City's ADU Program. Because ADUs are built as a second unit on an existing home site, they do not have the added land cost burden and are therefore more affordable to build.

Planning and Development Fees: The City continues to re-examine its fee structures to make sure they are in line with other jurisdictions. The City also has a fee Waiver Program for affordable housing development. This Fee Waiver Program will be reviewed and possibly amended during the 2015-2016 Program Year.

Permit and Processing Procedures: The Planning Department is continuing to improve and streamline its permitting and processing procedures. Economic Development staff also helps facilitate affordable housing development projects through the City's process when possible.

The City will also be updating its Analysis of Impediments to Fair Housing Choice within the first part of the 2015-2016 Program Year.

Discussion:

See above.

AP-85 Other Actions – 91.220(k)

Introduction:

This section reports additional efforts the City will undertake during the 2015-2016 program year to address residents' housing and community development needs.

Actions planned to address obstacles to meeting underserved needs

The primary obstacles to meeting underserved needs in the City of Santa Cruz are limited funding and resources. The City will allocate approximately \$1.4 million in general fund dollars to its community program partners and for homeless programs to help meet the basic unmet needs of residents.

Similar obstacles face the affordable housing needs of the community. In addition to funding, there is the challenge of limited land supply. This is combined with the need to develop or redevelop in ways that respond to the community's evolving housing needs in a manner that is consistent with community values and priorities. With the dissolution of redevelopment in California and reduced State and Federal funding, the City's ability to address the extensive housing needs in the community is seriously compromised. Nevertheless, the City remains committed to annually pursue State, Federal and other funding opportunities to increase the supply of safe decent affordable housing in the City of Santa Cruz for lower income households. In addition, the leveraging of the limited funding that is available will be done to the greatest extent possible.

Actions planned to foster and maintain affordable housing

The City will continue to leverage federal resources with local funds and strive to develop other housing resources. The City currently has several activities and programs which will foster and maintain affordable housing in the City of Santa Cruz:

- Pacific Station Mixed Use Development. Santa Cruz METRO and the City of Santa Cruz are partnering to redesign the transit center at Pacific Station with the potential of developing a multi-story building including the potential of around 100 units of new housing, a portion of which will provide new affordable housing units.
- Zoning of Transportation Corridors. The City's Planning Department is in the process of amending the City's zoning ordinance to allow higher densities along the City's main transit corridors.
- Inclusionary Housing Ordinance. The ordinance requires developers of market rate ownership housing to include affordable ownership units. In 2015, the City will be revising its inclusionary housing ordinance.
- Affordable Housing Trust Fund. The City of Santa Cruz created its Affordable Housing Trust Fund (AHTF) in 2003 to help develop and preserve below-market-rate housing.

- Unified Housing Rehabilitation Program (UHRP). The UHRP Program directs funding to rehabilitate aging affordable housing complexes to help preserve affordable units as well as extend period of affordability. .
- Mortgage Credit Certificate. MCC is a federal income tax credit that provides qualified low income homebuyers a tax credit worth up to 15 percent of their annual mortgage interest paid on their home loan. MCC recipients adjust their federal income tax withholding, which increases their take-home pay, making monthly mortgage payments more affordable. The City participates in the County-wide MCC program that is administered by the Housing Authority.

Actions planned to reduce lead-based paint hazards

Childhood lead poisoning is one of the major environmental health hazards facing American children today. The dominant route of exposure is from ingestion. Young children are most at risk because they have more hand-to-mouth activities and absorb more lead than adults. Although the City has not directly allocated CDBG or HOME funds for a Lead-based Paint Program, staff will use administration funds to continue to implement the lead-based paint regulations of 24 CFR Part 92 in all federally assisted City housing programs such as the Unified Housing Rehabilitation Program. The City requires all housing projects or programs receiving federal funds to comply with 24 CFR Part 92.

Actions planned to reduce the number of poverty-level families

The City of Santa Cruz will continue to focus its efforts and resources to reduce the number of poverty-level families through the preservation and creation of safe and affordable housing. The importance of meeting the housing needs of poverty-level families will support them moving toward self-sufficiency.

The City also funds over 50 community agencies to provide services to enable people in poverty to attain self-sufficiency. These include services are targeted toward people with disabilities, youth programs and educational programs, child care for working parents, job seekers, and the homeless.

Actions planned to develop institutional structure

Through a series of managed meetings, the City promotes greater coordination between all City agencies so as to minimize the duplication and maximize effectiveness of efforts. Enhanced coordination between the public and private sector is being done through a County-wide Community Funders working group.

Actions planned to enhance coordination between public and private housing and social service agencies

The City will continue to work closely with its nonprofit housing providers and nurture relationships with for profit developers to help meet the affordable housing needs of City residents. This includes work being done on the Pacific Station mixed use development project with the potential to coordinate its development with an adjacent for-profit housing developer.

In the 2015-2016 Program Year, the City will also continue to focus CDBG funding on providing services and upgrading infrastructure needs in the Target Areas. The City has a close working relationship with those providers funded both with CDBG and the City's General Fund.

Recent countywide collaboration efforts include "All In", the new strategic homeless plan. Throughout the Program Year, the City will participate in implementation of strategies through the county-wide Continuum of Care Homeless Action Partnership (HAP).

Discussion:

The majority of the City of Santa Cruz's activities furthering the goals of the Consolidated Plan are provided by community agency partners. This will continue to be the case in the 2015-2016 Program Year.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed.	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	90.00%

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City does not anticipate utilizing any other forms of investment beyond those identified in Section 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Rental Housing Development or Rehabilitation Projects

For HOME funding used to help construct or rehabilitate affordable rental housing projects, loans are often made with a provision for repayment on a receipts receivable basis. In other words, if the project has a profit then a portion of this profit would be used to pay back the City loan. However, most affordable housing developments are not built or financed at a level to make a profit so loans are often not repaid as long as the affordable housing use remains. Provisions are included that require repayment if the use changes so the funds are always protected. These provisions are spelled out in a Financing Agreement and Promissory Note.

First Time Homebuyer Loan Repayment

Although the City does not currently have a First Time Homebuyer Program (FTH), for loans made under the City's prior FTH Program there is an expectation that HOME loans will be paid back with interest. A FTH Program HOME loan is secured as a "silent second" mortgage against the property. The FTH Guidelines states that "the entire amount of the original HOME loan principal and any contingent interest due shall be recaptured by City" in the event that the property is sold or refinanced.

"Contingent interest" is a shared equity arrangement that is only charged if the property increases in value and there is available equity to be shared between the City and the property owners. If the property has not increased in value or has decreased in value, the City does not charge interest and has the option of reducing the amount of the second loan proportionate to the amount of time the property was owned and the remaining term of the affordability period.

Homeowner Rehabilitation Loan Repayment

Rehabilitation loans under the City's Unified Housing Rehabilitation Program to individual low income homeowners are typically paid back on a monthly payment schedule with minimal interest. However, for elderly homeowners, repayment of a rehabilitation loan may be deferred until resale of the unit. For multi-unit affordable rental housing developments, the City may provide a loan that only requires repayment if the use changes. Typically a nominal amount of interest is charged.

As noted above, the City assists larger rehabilitation rental housing projects in the same way it does new affordable housing developments.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Continuation of affordability requirements for a prescribed length of time are secured under a HOME Regulatory Agreement. These documents are recorded on the Deed of Trust and run with the land.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City is not proposing to use HOME funds to refinance debt secured by multifamily housing projects.

Discussion:

See above