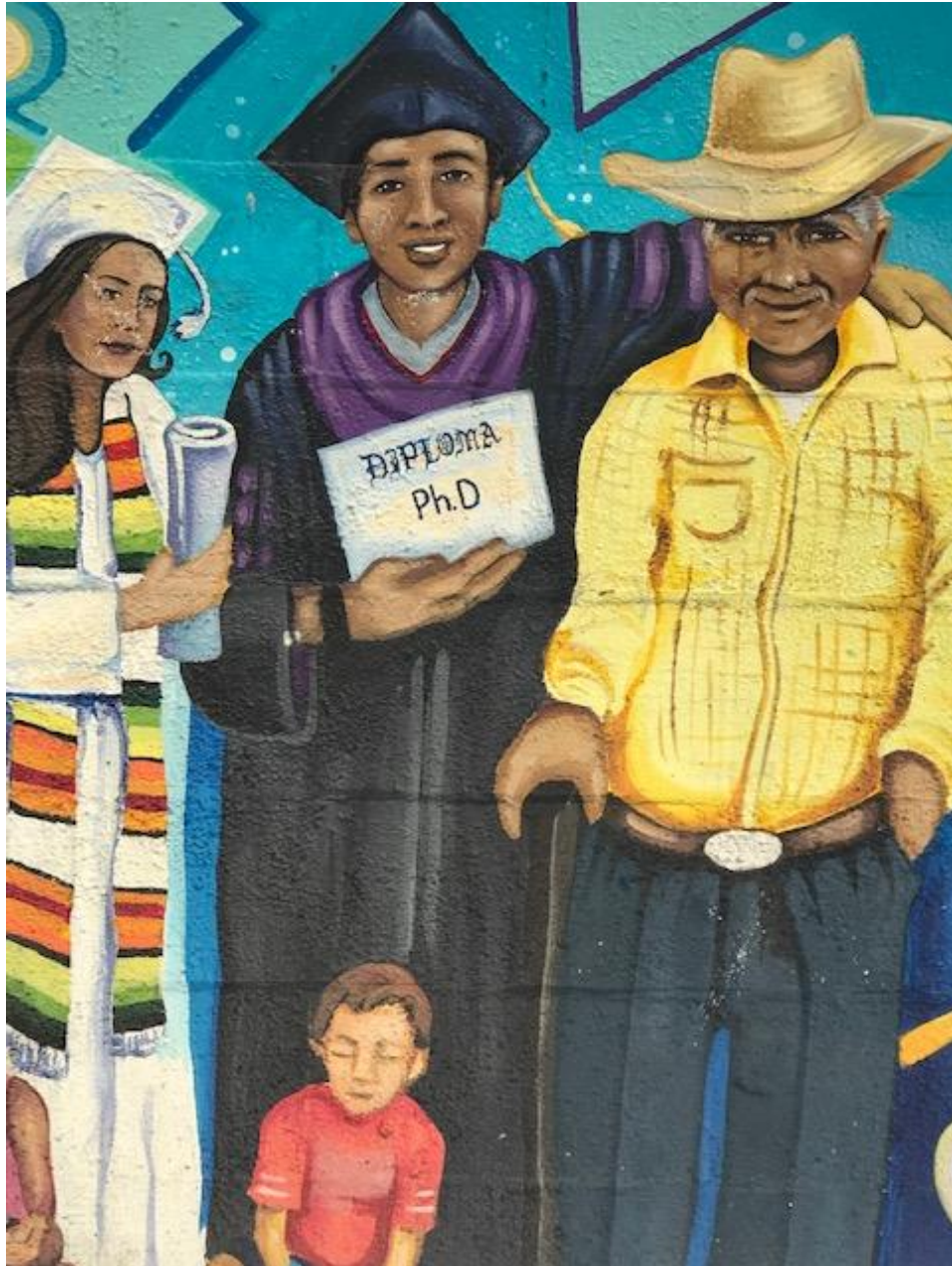




CITY OF SANTA CRUZ 2019-2020 ACTION PLAN



**Housing & Community Development Division
Economic Development Department**



CITY OF SANTA CRUZ 2019-2020 ACTION PLAN

HUD Submittal Date: Expected 6/25/2019

City Council:

Martine Watkins, Mayor
Justine Cummings, Vice Mayor
Sandy Brown
Chris Krohn
Cynthia Mathews
Drew Glover
Donna Meyers

City Manager:

Martin Bernal

Economic Development Department:

Bonnie Lipscomb, Director
Jessica de Wit, Housing and Community Development Manager
Tiffany Lake, Housing and Community Development Principal Management Analyst
Jessica Mellor, Housing and Community Development Management Analyst

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Executive Summary

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

1. Introduction

The City of Santa Cruz (City) is eligible to receive federal Community Development Block Grant (CDBG) funds and Home Investment Partnership Program (HOME) funds annually from U. S. Department of Housing and Urban Development (HUD). In order to receive these funds the City must complete a Consolidated Plan every five years which provides strategic direction for housing and community development activities. Under the guidance of this Consolidated Plan the City must complete an annual Action Plan each year to allocate CDBG and HOME funds.

This report is for the 2019–2020 Action Plan for the City of Santa Cruz, covering the Program Year (PY) beginning July 1, 2019 and ending June 30, 2020. The HUD Action Plan PY is equivalent to the City's fiscal year. This is the fifth and final Action Plan under the 2015-2020 Consolidated Plan.

This Action Plan was prepared in accordance with HUD's Office of Community and Planning Development (CPD) eCon Planning Suite. Since 2015, HUD requires grantees to submit their annual Action Plan using a template provided by HUD through HUD's Integrated Disbursement and Information System (IDIS), which is HUD's nationwide database. The Plan has three sections:

- Executive Summary
- The Process
- 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 through information entered into IDIS from the Consolidated Plan, prior Action Plans, and this current Action Plan.

2. Summarize the objectives and outcomes identified in the Plan

The City's objectives for activities included in the 2019-2020 Action Plan include the following:

1. Preserve existing rental housing and increase the amount and affordability of rental housing for the City's lowest income renters. The following are anticipated outcomes addressing this Objective:
 - Mid-Peninsula Housing is funded with HOME CHDO set aside funding for their upcoming Jessie Street Rehabilitation Project, which will provide 27 affordable housing units to persons with severe psychiatric disabilities.
 - Funding will be provided for the on-going Security Deposit Program.
 - CDBG funds will continue to provide enhanced proactive code enforcement in troubled areas in the City addressing issues related to housing that would otherwise contribute to deterioration in low-income neighborhoods.

- The pilot Affordable Housing Solar Installation Program is ongoing with the help of GRID Alternatives, a non-profit provider of solar technology.
 - California Rural Legal Assistance (CRLA) is funded with CDBG funds and will assist low-income tenants with legal questions and concerns with the goal of helping these individuals and families to make informed decisions about obtaining housing, maintaining housing, and improving their housing situation.
2. Revitalize: community facilities & infrastructure.
- CDBG funds will also be used to begin renovations and improvements to Central Park for drainage, access, and recreation. This project will also improve ADA access to enhance access for all users.
3. Continue to support implementation of strategies developed under the County-wide Continuum of Care plan called *ALL IN -Toward a Home for Every County Resident, The Santa Cruz County Community Strategic Plan to Prevent, Reduce, and Eventually End Homelessness (“ALL IN”)*.
- General Funds will continue to provide assistance to various programs and facilities at the Homeless Services Center (HSC) campus.
 - General Funds will also be used to help fund the County Wide Homeless Action Partnership (HAP) which provides the organizational structure for Continuum of Care (CoC) activities as well as the Winter Shelter Program. General Funds are used for three outreach and support programs including: (1) Two Downtown Outreach Workers, (2) Maintaining Ongoing Stability through Treatment (MOST) team, and (3) Bob Lee Community Partnership for Accountability, Connection, Treatment (PACT).
4. Provide on-going support for community services and youth programs.
- The City provides a combination of CDBG and General Funds for over 70 community programs that provide a range of services and opportunities for the City’s low income population.
 - CDBG funds will be used to build a new kitchen at the Homeless Garden Project’s new farm site in the Pogonip area. The Pogonip Farm and Kitchen will enable the Homeless Garden Project to increase job training capacity, expand public engagement, consolidate operations, and ensure long-term stability and sustainability.
 - CDBG funds will be used by the Downtown branch of the Boys and Girls Clubs of Santa Cruz County for renovations to increase safety and security for members, staff and volunteers. These improvements will not only be beneficial to the users of the clubhouse, but also to the community at large as this clubhouse is available for public use.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

A comprehensive review of accomplishments from the 2018-2019 PY will be provided as a part of the City's Consolidated Annual Performance and Evaluation Report (CAPER) which will be available for public review in September 2019. The following is a brief summary of activities that were completed, progressed, supported as on-going programs, or initiated in the 2018-2019 PY.

CDBG and HOME Program funded projects were completed or are near completion:

- Construction of 41 units of affordable housing in the Water Street affordable housing project.
- Cedar Street pedestrian sidewalk and crossing improvements.

On-going programs serving the community:

- Proactive and enhanced Code Enforcement in the Code Enforcement Target Area (CETA).
- Community Services and Youth Programs at Nueva Vista Resource Center and Beach Flats Community Center.
- Teen Center programs.
- Homeless services at the HSC Day Essential Services Center and the Paul Lee Loft.
- The Security Deposit Program to help access rental housing.

Progress was made on the following projects or programs:

- Fourth application to be processed for My House My Home, a program to help fixed income senior homeowners age in place through development of an accessory dwelling unit.
- The City continued to acquire property in the lower Pacific Avenue area in anticipation of moving forward with a 100% affordable housing project that will likely result in over 100 units.
- The City re-established a 60 space River Street Camp for homeless at a former city storage lot at 1220 River St. Shuttle buses connect the Camp with the Downtown and other locations in the City. This is currently a temporary facility to help provide for increasing homeless needs.

The Lower Ocean and Beach/South of Laurel NRSA completed its second year under the current five year plan. Achievements include:

- **Public Services:** Nueva Vista and the Beach Flats Community Center continued to provide community services. Both receive CDBG funding. In addition to providing services to help the

City's Latino community, they provide educational programs, including nutrition classes for the community.

- **Coastal Rail Trail Trestle Trail Project:** Improved pedestrian bridge access connecting Beach Flats and lower Ocean Street neighborhoods was completed, significantly improving pedestrian safety.
- **Downtown to Beach Trolley:** One trolley operated during the peak seasons connecting the Beach and Downtown.
- **Bookmobile:** The Santa Cruz Public Library bookmobile provided weekly service in the Beach Flats area.
- **Marine Sanctuary:** The Monterey Bay National Marine Sanctuary Exploration Center continues to provide educational programs and is a tourist draw for the community.
- **Riverside Avenue Improvements:** Progress continues to be made.
- **Safety Programs:** Most of the enhanced Police Department actions have continued including enhanced gang enforcement and increased number of Police Officers in the NRSA, PRIDE Program, Teen Citizen's Police Academy, and Teen Public Safety Academy (ROP) with outreach to youth in the NRSA.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City offered several opportunities for participation and comment throughout the development of the Action Plan, including the following:

- A Community Programs Committee (CPC) meeting was held on February 11, 2019. Although CPC meetings are primarily for non-profit service providers, there is a public noticing process and the public is always welcome.
- The proposed Action Plan budget was discussed in a noticed and advertised City Council Public Hearing held on April 23, 2019.
- The draft Action Plan was discussed in a noticed and advertised City Council Public Hearing held on May 28, 2019.

The 2019-2020 Action Plan was available for public review during a public comment period from April 23, 2019 through May 28, 2019. A public notice announcing its availability was published in the Santa Cruz Sentinel on April 29, 2019. A second public hearing was held on May 28, 2019 and was followed by a 15 day public review period beginning on June 3, through June 18, 2019.

The process of developing this Action Plan and ensuring success of the activities that receive funding requires jurisdictions to reach out to and consult with other public and private agencies when developing the plan.

- City staff works directly with housing and service providers to develop eligible activities and projects that meet the needs of the community.
- Staff is active in local and regional boards and committees.
- Through the CORE Investment process, the City of Santa Cruz and the County of Santa Cruz work together to coordinate activities and funding of local evidence-based safety net services that collectively impact the well-being of the community's most vulnerable populations. The City and County agreed to extend their three-year agreements with service providers for an additional year, therefore funding them through the 2020 Fiscal Year.
- Efforts to coordinate housing assistance and services for homeless and formerly homeless persons are coordinated through the Homeless Action Partnership (HAP).

Section AR-10 Consultation provides a detailed list of organizations and agencies that were consulted during this process. Table 1 in that section provides a summary of community outreach. No comments were not accepted, everyone who wished to speak was allowed the opportunity to do so, however there were some requests by the public that were not accommodated due to funding constraints.

5. Summary of public comments

February 11, 2019 Community Programs Committee meeting: Staff provided a presentation to the Community Programs Committee (CPC) summarizing the applications received for CDBG and HOME funds for the 2019 Program Year. The CPC asked some questions about applications and staff responded to their questions. There were no comments from members of the public. The CPC discussed changes to staff recommendations and took action to make recommendations to the City Council.

April 23, 2019 Public Hearing: At the first Public Hearing, there were some comments in support of funding the program at Nueva Vista, support of the Central Park project, and support of the MHCAN project.

May 28, 2019 Public Hearing: At the second Public Hearing, there were similar comments from the public in support of the program at Nueva Vista and support of the Central Park project.

Written Comments: Six (6) written comments were received for the first Public Hearing on April 23, 2019. The majority of comments focused on the Central Park project and requested that the City Council approve funding this project. One comment expressed concerns about funding the Homeless Garden Project. There were no written comments received for the second Public Hearing on May 28, 2019.

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

The comments regarding support for the MHCAN project were accepted, but not adopted, due to the decision of the City Council. Some Councilmembers stated that due to the request for funding far surpassing the available grant amount, the City could not make a meaningful contribution to the project.

7. Summary

For the 2019-2020 PY the City will receive an allocation from HUD of \$563,758 in CDBG funds and \$360,070 in HOME Program funds.

In addition to the 2019-2020 PY CDBG Entitlement Grant, the City expects there will be about \$8,400 in CDBG Program Income (PI) from repayment of previous loans and \$0 in unspent funds from prior years that will be available for reprogramming. The total estimated CDBG Budget for the 2019-2020 PY is \$571,758.

For the HOME Program, the City expects to receive about \$40,000 in HOME Program PI. When combined with the HUD HOME Program grant for the 2019-2020 PY, a total of about \$400,070 in HOME funds is available for allocation in this budget.

When CDBG and HOME Program budgets from the Action Plan are adopted by the City Council, they then are incorporated into the City's annual budget.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

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

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

Table 1 – Responsible Agencies

Narrative (optional)

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 and Action Plans. Following adoption of the Action 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

Jessica de Wit
 Housing and Community Development Manager
 City of Santa Cruz Economic Development Department
 337 Locust Street
 Santa Cruz, CA 95060
jdewit@cityofsantacruz.com
 831-420-5108

AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. 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 and other City 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 CORE Investment process, the City of Santa Cruz works with the County of Santa Cruz to coordinate activities and funding of local evidence-based safety net services that collectively impact the well-being of the community’s most vulnerable populations. Three-year contracts were awarded for services beginning in Fiscal Year (FY) 2017-2018 and ending in FY 2019-2020. The City and County agreed to extend their three-year agreements with service providers for an additional year, therefore funding them through the 2020 Fiscal Year.
- 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.
- The City works in partnership with the County to employ two Downtown Outreach Workers who engage homeless individuals in the City’s downtown and connect them to needed resources, services, and shelter, including long term housing if possible.
- Starting in October 2017, the City of Santa Cruz contracted and deployed the Downtown Streets Team (DST). The DST is a volunteer work-experience program. In exchange for beautifying the community, participants receive gift cards to help with basic needs, and access to employment and case management services provided by a variety of different agencies.

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.

In the 2019-2020 PY, the City will continue working closely with the Santa Cruz County's homeless Continuum of Care (CoC). The CoC includes the Cities of Santa Cruz, Watsonville, Capitola, and Scotts Valley, as well as large unincorporated areas. Leadership for the CoC is currently provided by the Homeless Action Partnership (HAP), a community-wide action team that meets regularly to implement the CoC. The HAP includes about 30 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.

In addition to participating in the broader HAP, the City is a member of the HAP Governance Board, which ranks and selects applications for HUD CoC funding and sets HAP policies, and of the HAP Inter-jurisdictional Executive Committee, which meets to coordinate funding from the County and Cities to support core CoC activities, such as preparing the annual CoC application and conducting biennial point-in-time homelessness study.

The City also actively participates in HAP working committees that carry out much of the CoC's work. These working committees include the Smart Path/Coordinated Entry Steering Committee charged with implementation of the CoC's coordinated entry system (CES); the Youth Homelessness Demonstration Program (YHDP) Steering Committee charged with implementing the HUD-funded YHDP; the Homeless Management Information System (HMIS) Technology Committee charged with overseeing the CoC's HMIS; and the All In Landlord Partnership working to encourage and incentivize landlord participation.

The City also supports and participates non-CoC community planning efforts that benefit homeless people and align with the HAP's objectives, including the community-based Smart Solutions to Homelessness; Project 180/2020, which is the local chapter of the national Zero: 2018 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 variety of 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* (All In). This Plan is providing the framework for coordination of efforts to address the needs of homeless persons over the time period covered by this Consolidated Plan.

Finally, the City is currently working closely with the County and other Cities in a Governance Study Committee aimed at restructuring and improving CoC governance and updating the CoC Charter.

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

The City continues its collaboration with HAP in the areas of Emergency Solutions Grants (ESG), performance standards and evaluation, and HMIS policies and procedures. Santa Cruz County agencies compete annually for Emergency Solutions Grant (ESG) funds through a State of California-administered ESG program. Under the State program, the HAP is responsible for reviewing and recommending local

applications for competitive Balance of State ESG funds and for selecting local applications for noncompetitive Rapid Rehousing (RRH) funds. During regular HAP meetings, members discuss applications and contribute to the setting of priorities for ESG funds. The HAP Governance Board (on which the City holds a seat) makes all ESG project decisions based upon a fair, impartial process that includes consideration of needs, priorities, performance, and project design.

The City has and will continue working closely with its HAP partners in developing and evaluating performance measures and program standards for all CoC and ESG-funded programs in the Santa Cruz County. Each year, the City, as a member of the HAP Governance Board, participates in the evaluation of all CoC and ESG funding applications based in part on the HAP-approved performance measures and CoC program standards. The performance metrics for each project type are set forth in the CoC Local Objective Project Rating and Scoring Criteria, and the ESG Local Objective Rating Criteria. The CoC program standards are included in the Local CoC Written Standards for documenting program eligibility; conducting street outreach; providing of emergency shelter, prevention, RRH, transitional housing, and permanent supportive housing; and complying with HMIS, CES, Housing First, and equal access and non-discrimination requirements.

Finally, under the direction of HAP, local homeless service providers use 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. The HAP's HMIS Technology Committee addresses all HMIS issues, bringing discussions as needed to the full HAP for policy and other significant decisions. HMIS data are used for program performance measurement, including for measuring outcomes under this Consolidated Plan.

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

See following table.

TABLE 1: 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?	Housing Needs Assessment; Homeless Needs - Chronically homeless; Non-Homeless Special Needs; Economic Development; Infrastructure & Community Facilities
	How was the Agency consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Meetings with various City staff to identify infrastructure and other community priorities including participating in the City's interdepartmental Neighborhood Safety Team to address problem properties. The anticipated outcome is to identify and correct code enforcement and public safety issues that will ultimately improve the City's lower income neighborhoods.
2	Agency/Group/Organization	COUNTY OF SANTA CRUZ- Planning Department
	Agency/ Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment; Homelessness Strategy; Homeless Needs for Chronically homeless; Families with children; Veterans; Unaccompanied youth; Homelessness Strategy, 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 usually occurred 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 implementation of the <i>ALL IN Plan</i> .
3	Agency/Group/Organization	COUNTY OF SANTA CRUZ- Health Services Agency
	Agency/ 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; Discharge Planning
	How was the Agency consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations for non- homeless sections were done as telephone interviews; for homeless issues, consultations were a part of the county-wide strategic planning efforts. This included planning and programs for emancipated youth, homeless persons discharged from health care facilities, and mentally ill inmates leaving jail.

4	Agency/Group/Organization	NUEVA VISTA COMMUNITY RESOURCE 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 helped with community surveys. The outcome is improved link with Hispanic community needs. Center is also an active part of Community Programs and attended Community Program public meetings.
5	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 regarding homelessness relocation of disabled persons. Encompass is also an active part of 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.
6	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 Community Programs and attended Community Program public meetings.
7	Agency/Group/Organization	SENIOR NETWORK SERVICES (SNS)
	Agency/Group/Organization Type	Services – Elderly Persons.
	What section of the Plan was addressed by Consultation?	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 the My House My Home Program. SNS is also an active part of Community Programs and attended Community Program public meetings. Outcome is greater awareness of and inclusion of key issues affecting seniors regarding housing.

8	Agency/Group/Organization	HABITAT FOR HUMANITY MONTEREY BAY
	Agency/Group/Organization	Housing
	What section of the Plan was addressed by Consultation?	Senior Housing & Housing Options
	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 and participants in the My House My Home Program. Outcome is establishing 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 special needs housing at their 314 Jessie Street property. Outcome is the potential to increase the number of affordable housing units available to the special needs population.
10	Agency/Group/Organization	HOUSING AUTHORITY OF SANTA CRUZ COUNTY
	Agency/ 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. City Housing Manager sits on HA Board of Commissioners. 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)
	Group/Organization Type	Service - 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 fair housing issues. Anticipated outcome is on-going tracking of fair housing issues so the City may address these in a timely manner.

12	Agency/Group/Organization	SANTA CRUZ COUNTY CONTINUUM OF CARE/HAP
	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. 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 the <i>ALL IN Plan</i> .
13	Agency/Group/Organization	Monterey Bay Economic Partnership
	Group/Organization Type	Regional Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Needs
	How was the Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended regional conferences and participated as member of housing committee. Anticipated outcome is that MBEP will become an advocate for housing development that is affordable to the areas workforce.
14	Agency/Group/Organization	CHAMBER OF COMMERCE OF SANTA CRUZ COUNTY
	Group/Organization Type	Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Needs
	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 as needed. No Agency Types were knowingly excluded.

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

See table on following page.

TABLE 2: 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?
<i>ALL IN Plan</i>	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 <i>ALL IN Plan</i> were incorporated into the Consolidated Plan and activities are scheduled to be funded under the Action Plan. The <i>ALL IN Plan</i> is also incorporated as an appendix to the 2015-2020 Consolidated 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 as are any housing projects or programs funded under the Action Plan.
Homelessness Committee Report and Recommendations	City of Santa Cruz	The report and recommendations were a result of a six-month City Council Committee that worked to cooperatively exchange information and identify actions to change homelessness in our community. The Committee extensively researched practices, models and services from across the country that could work in Santa Cruz, with the City of Santa Cruz (City) in a strong partnership role with the County of Santa Cruz (County), the three other cities (Capitola, Scotts Valley, Watsonville), service providers, the faith community, and others.

Narrative (optional)

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(l))

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 Human Services Department (HSD) 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, behavioral health, and clinical services; and (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).

Additionally the office of the County District Attorney provides Fair Housing counseling and assistance to the community. City staff and elected officials also participate in County 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) 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. The Housing Authority manages the Section 8 Program, which provides rental assistance to very-low income residents. 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.

AP-12 Participation – 91.105, 91.200(c)

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 development of the Action Plan, including the following:

- A Community Program Committee (CPC) meeting was held on February 11, 2019. Although CPC meetings are primarily for non-profit service providers, there is a public noticing process and the public is always welcome.
- The proposed Action Plan budget was discussed in a noticed and advertised City Council Public Hearing held on April 23, 2019.
- The draft Action Plan was discussed in a noticed and advertised City Council Public Hearing held on May 28, 2019.

The 2019-2020 Action Plan was available for public review during a public comment period from April 23 through May 28, 2019. A public notice announcing its availability was published in the Santa Cruz Sentinel on April 27. A second public hearing on May 28, 2019 was followed by a 15 day public review period beginning on June 3 through June 18, 2019.

The City of Santa Cruz is planning to expand and broaden citizen participation. In the fall, we are planning to do an affordable housing tour and will poll participants. Additionally, we will create outreach and training to instruct sub-recipients on the CDBG and HOME application process which will be an opportunity to seek input from local agencies. As part of fulfilling recommendations of the [Housing Blueprint Subcommittee](#) we created an interactive affordable housing map, and we will continue to do outreach and engagement around Housing.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting – Community Programs Committee	Non-targeted/ broad community Service Providers	A majority of CDBG Applicants attended the meeting on February 11, 2019 in the City Council Chambers. All attendees were provided with the opportunity to speak to the CPC.	All of the applicants present spoke in favor of their program or project and asked the CPC to consider funding.	No comments were not accepted, everyone who desired to speak was able to do so. However, there was discussion about being unable to fund some of the applications due to the limited amount of funds available.	
2	Public Hearing – City Council	Non-targeted/ broad community	This was a noticed Public Hearing on April 23, 2019. About 20 persons were in attendance.	There were a couple of community members who spoke in support of funding the Nueva Vista program. Several community members spoke in support of the Central Park project, and there were several written comments as well that echoed the same support for the Central Park project. There was a member of the public who asked the Council to support funding MHCAN.	No comments were not accepted, everyone who wished to speak was able to do so. However, the City Council chose not to fund the MHCAN project. Some of the comments regarding why the MHCAN project was not funded included not having enough CDBG funds to make an impact on the project.	http://scsire.cityofsantacruz.com/sirepub/mtgviewer.aspx?meetid=1167&doctype=AGENDA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Hearing – City Council	Non-targeted/ broad community	This was a noticed Public Hearing on May 28, 2019. About 20 members of the public were in attendance.	No written comments were received. One member of the public spoke at the public hearing about problems with landlords raising rents and evictions occurring without cause. The suggestion was that more is needed for homeless prevention.	No comments were not accepted.	http://scsire.cityofsantacruz.com/sirepub/mtgviewer.aspx?meetid=1169&doctype=AGENDA

Table 2 – Citizen Participation Outreach

Expected Resources

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

Introduction

The City of Santa Cruz is a CDBG and HOME Program entitlement jurisdiction and will receive \$563,758 in CDBG funds and \$360,070 in HOME funds for 2019-2020 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 2019-2020 Program Year is expected to be \$8,000 for the CDBG Program and \$40,000 for the HOME Program.

This section is intended to describe various resources that are expected to be available to meet the goals of the 2019 – 2020 Action 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.

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	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	563,758	8,000	0	571,758	0	City receives funds annually from HUD. Used to fund Community Programs; Code Enforcement, Infrastructure & Facility Improvements; Housing Development; and Program Delivery Costs for -2 Housing Programs.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	360,070	40,000	451,715	851,715	0	City receives funds annually from HUD. Used to fund Housing Development, rehab, and Security Deposit Programs.

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: \$		
Rapid Rehousing, Continuum of Care and other County Wide Homelessness funding	public - federal	Housing TBRA Other	567,000	0	0	567,000	0	Continuum of Care and countywide funding used to create permanent supportive housing, rapid rehousing, and homeless prevention programs. Funding is county-wide. Amounts shown are based on proportion of City/Other County population (21%). Full funding is estimated at \$2.7 Million.
General Fund	public - local	Public Services Other	2,214,313	0	0	2,214,313	0	General Funds are annually used for community/social service and homeless programs plus emergency housing assistance (TBRA) through CAB.
LIHTC	public - federal	Acquisition Housing Multifamily rental new construction Multifamily rental rehab	26,700,000	0	0	26,700,000	0	Funding is dependent upon individual projects receiving tax credits. Developer of the Ocean Street Housing Project will receive tax credits. The project will provide 62 affordable units.

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: \$		
Tax Exempt Bond Proceeds	public - local	Acquisition Admin and Planning Housing Multifamily rental new construction	897,014	0	0	897,014	0	Approximately \$900,000 of former redevelopment bonds that are set aside for housing are allocated to the Metro Station Project. If AB411 legislation to approve additional spending of affordable housing bonds passes, additional dollars will be available.
Other	public - state	Acquisition Housing Multifamily rental new construction	0	0	0	0	1,000,000	Source is Cap and Trade Grants for transit Oriented Development (TOD) housing projects. City will apply for a grant for Metro Project. Actual amount of request will be determined at that time.

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: \$		
Affordable Housing Trust Fund	public - local	Acquisition Admin and Planning Homeowner rehab Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership	1,689,744	0	1,165,044	2,854,818	1,165,044	Annual allocation amount includes carryforwards from FY18 and FY19. Funding is allocated to Water Street Housing, 350 Ocean Street, the Inclusionary Housing Affordability Program, Pacific Station Metro, My House-My Home and Riverfront Apartments. Approximately \$1.1 million remains uncommitted after this coming year, but one million must be retained for matching of a State Housing grant for the upcoming Pacific Station Metro.
Other	public - local	Public Services TBRA	47,000	0	0	47,000	0	Annual allocation of funds from the Red Cross Reconstruction loan repayments is used for the Beach Flats Community Center; Security Deposit Program and Emergency Housing Assistance for the Beach Flats and Lower Ocean Street neighborhoods (as previously approved by the Red Cross).

Table 3 - Expected Resources – Priority Table

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. For example, for the 2019 Program year, we received over 1.7 million in applications for CDBG funding, but had only approximately \$570,000 for allocation. 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. LIHTC funds will continue to be used to help fund the Ocean St Housing Project in 2019-2020 PY. In future years, 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 over \$12 million. This excess match will fulfill the City's HOME match requirements for many years at the current level of HOME funding.

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.

AP-20 Annual Goals and Objectives

The City is expected to assist about 136 extremely low, very low, and low income households during the PY through providing affordable housing units, security deposits, emergency housing assistance, and code enforcement. It is expected that of the 136 assisted about 6% will be homeless or formerly homeless, 36% extremely low income households (includes homeless), 18% very low income households, and 45% low/moderate income households (which under HUD's definition includes households at or below 80% of Area Median Income). 41 new affordable rental units in the Water Street Affordable Housing Project are finishing construction at the beginning of the 2019-2020 PY and so those 41 units are included in the outcome count.

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase and preserve affordable housing.	2015	2019	Affordable Housing		Affordable Housing	CDBG: \$98,000 HOME: \$154,000 General Fund: \$20,000 LIHTC: \$26,700,000 Tax Exempt Bond Proceeds: \$0 Affordable Housing Trust Fund: \$1,500,000 Red Cross Funds: \$22,000 State Cap-and-Trade Program: \$0	Rental Units Constructed: 41 Household Housing Unit; Tenant-based rental assistance / Rapid Rehousing: 45Households Assisted; Homelessness Prevention: 10 Persons Assisted; Housing Code Enforcement/Foreclosed Property Care: 50 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Revitalize community facilities & infrastructure.	2015	2019	Non-Homeless Special Needs Non-Housing Community Development	2017 Lower Ocean-Beach/South of Laurel Neighborhood Revitalization Strategy Area Low Income Target Area	Community Infrastructure Improvements	CDBG: \$224,406	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2,000 Persons Assisted
3	Support County-wide Homeless Strategic Plan.	2015	2019	Homeless			CDBG: HAP funding - 21%: \$567,000 General Fund: \$1,034,000	Homeless Person Overnight Shelter: 100 Persons Assisted
4	Provide community and supportive services.	2015	2019	Non-Housing Community Development	2017 Lower Ocean-Beach/South of Laurel Neighborhood Revitalization Strategy Area Low Income Target Area	Community Services and Youth Programs	CDBG: \$135,000 General Fund: \$1,180,000 Red Cross Funds: \$25,000	Public service activities other than Low/Moderate Income Housing Benefit: 4,500 Persons Assisted

Table 4 – Goals Summary

Goal Descriptions

1	Goal Name	Increase and preserve affordable housing.
	Goal Description	For the 2019-2020 PY, affordable housing projects include development of a 41 unit affordable rental project by For the Future Housing. This project, which first received program funding in past program years, will be completed in the 2019-2020 Program Year. Housing Programs include: (1) provision of about 45-55 security deposits and 10 emergency housing assistance grants; (2) housing preservation through the proactive and enhanced Code Enforcement Program in low income areas; and (3) program delivery costs for the Security Deposit and Rehab Programs. CHDO set-side funding is being allocated for the Jessie St. Project, which will provide 26 units for extremely low income individuals with psychiatric disabilities.
2	Goal Name	Revitalize community facilities & infrastructure.
	Goal Description	Community infrastructure projects including the Central Park Renovation, Pogonip Farm Kitchen and Boys and Girls Club downtown renovation, will provide improved facilities for providing community services to over 5,000 persons.
3	Goal Name	Support County-wide Homeless Strategic Plan.
	Goal Description	Annual funding for homeless services allocated in the 2019-2020 Action Plan includes shelter and day essential services. General fund allocations of over 1 million dollars are going to shelter, outreach, education, training and other homelessness prevention and services. A portion of the County-wide Continuum of Care grant is based proportionally on the City's population (21%). Rapid Rehousing is included under a previous housing goal since the Security Deposit Program is not limited to use by homeless persons. CDBG funding is being used to support the Pogonip Farm Kitchen, expanded facilities for a transitional job training program for homeless individuals.
4	Goal Name	Provide community and supportive services.
	Goal Description	The City of Santa Cruz provides funding to over 70 social service programs that are operated by over 50 organizations. CDBG funding is allocated to a portion of these programs to expand and increase available funding. During the 2019-2020 PY CDBG funding will be provided for Nueva Vista Community Resources (includes Nueva Vista and Beach Flats Community Centers) which is an independent program under Community Bridges, California Rural Legal Assistance (CRLA), and the Teen Center. Nueva Vista Community Resources is designated as a Community Based Development Organization (CBDO) by the City of Santa Cruz. It primarily serves the Beach South of Laurel and Lower Ocean Street Neighborhood Revitalization Strategy Area. CDBG funding for HSC and Outcome Indicators are included under goal #3.

Projects

AP-35 Projects – 91.220(d)

Introduction

The allocation of funds is aligned with the top housing and community development needs identified in the Consolidated Plan, input received in public meetings, and discussions of elected officials during plan development. The major obstacle to addressing the underserved needs is the lack of adequate funding, especially for affordable housing activities and supportive housing as well as programs to provide for the homeless population. With the dissolution of Redevelopment Agencies in California and reduced State and Federal funding for community programs and affordable housing, our ability to address the extensive needs in the community is seriously compromised.

Projects

#	Project Name
1	2019PY HOME Program Administration
2	2019PY CHDO Jesse St Affordable Housing
3	2019PY Security Deposit Program
4	2019PY Code Enforcement in Target Areas
5	2019PY Nueva Vista Community Resources
6	2019PY California Rural Legal Assistance
7	2019PY Teen Center Operation Costs
8	2019PY Pogonip Farm Kitchen
9	2019PY Rehabilitation Program Delivery Costs
10	2019PY CDBG Program Administration
11	2019PY Boys and Girls Club Downtown Renovation
12	2019PY Central Park Project
13	HOME Affordable Housing Projects

Table 5 - Project Information

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

The allocation of funds is aligned with the top housing and community development needs identified in the Consolidated Plan, input received in public meetings, and discussions of elected officials during plan development. The major obstacle to addressing the underserved needs is the lack of adequate funding, especially for affordable housing activities and supportive housing as well as programs to provide for the homeless population. With the dissolution of Redevelopment Agencies in California and reduced State and Federal funding for community programs and affordable housing, our ability to address the extensive needs in the community has been seriously compromised.

AP-38 Project Summary

Project Summary Information

1	Project Name	2019PY HOME Program Administration
	Target Area	No target area is indicated
	Goals Supported	None
	Needs Addressed	None
	Funding	\$40,007
	Description	Administration funding would partially support 2 staff persons, training and other expenses incurred for operation of the HOME Program.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	Program Administration does not require an outcome
	Location Description	337 and 330 Locust St in Santa Cruz
	Planned Activities	Administration of HOME Program.

2	Project Name	2019PY CHDO Jesse St Affordable Housing
	Target Area	NRSA
	Goals Supported	Increase and preserve affordable housing.
	Needs Addressed	Affordable Housing; Special Needs
	Funding	2019PY HOME Funds: \$54,011
	Description	The CHDO Mid-Peninsula the Farm, Inc. will develop a property currently owned by an affiliate located at 314 Jessie Street. The site has a 14 unit affordable housing project that will be demolished in order to build housing for extremely low income persons who have psychiatric disabilities. The proposed project would replace the existing units with 27 units that would serve a similar population. The Developer anticipates that the existing tenants will be relocated while the Project is being constructed, and that they will be given the opportunity to return when the Project is completed. One unit will serve as a managers unit.
	Target Date	October 2021
	Estimate the number and type of families that will benefit from the proposed activities	26 very low income households with disabilities.
	Location Description	The project is located in a predominantly residential area, one block away from Ocean Street, which is a major arterial road with employment and public transportation opportunities.
Planned Activities	Remove existing buildings and build 27 new units for an increase of 13 units.	
3	Project Name	2019PY 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:\$100,000 Red Cross Funds: \$11,000
	Description	This is an on-going program supported by the City to provide security deposit assistance for 45-60 low, very-low, and extremely low income households to enable them to secure rental housing. Security deposit loan funding is provided by HOME Program and Red Cross Funding. The County of Santa Cruz Housing Authority (HA) administers the Program. The project qualifies for HOME Program funding under 24 CFR, Part 92.205(a) for tenant based rental assistance/security deposits.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	Program will help about 45-60 low-, very-low, and extremely-low income households into rental housing who lack money for a security deposit. Program is also used to assist the 180/2020 Program in housing the most medically vulnerable and chronically homeless persons.
	Location Description	Program operates city-wide
	Planned Activities	Activities include processing applications, providing loans to qualified applicants for security deposits, distributing funds to landlords, and receiving reimbursements when tenant vacates unit.
4	Project Name	2019PY Enhanced Code Enforcement in Target Areas
	Target Area	Code Enforcement Target Areas 2017-2022 Lower Ocean- Beach/South of Laurel Neighborhood Revitalization Strategy Area
	Goals Supported	Increase and preserve affordable housing.
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$75,000; General Fund: \$20,000

	Description	<p>Conduct focused proactive and enhanced code enforcement activities in Code Enforcement Target Areas (CETA).</p> <p>Matrix Code: 15</p> <p>Eligible Activity: Code Enforcement</p> <p>National Objective: LMA- Low and Moderate Income Area Benefit</p> <p>Regulatory Citation: 570.208(a)(1)</p> <p>Presumed Benefit: N</p>
	Target Date	6/30/2020
	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 CETA, which will help improve neighborhoods that include about 10,000 households.
	Location Description	Code Enforcement activities will occur in the CETA, 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.
5	Project Name	2019PY Nueva Vista Community Resources
	Target Area	2017-2022 Lower Ocean- Beach/South of Laurel Neighborhood Revitalization Strategy Area
	Goals Supported	Provide community and supportive services.
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$100,000; General Fund: \$55,000; Red Cross Funds: \$25,000

Description	<p>Activity provides for operating expenses for Nueva Vista Resources, which includes the Nueva Vista Resource Center (formerly known as Familia Center) and the Beach Flats Community Center. Nueva Vista Resources is a Latino based center with a primary focus to serve the low-income families in the Lower Ocean Street and Beach Flats Neighborhood, including community services and youth programs. Nueva Vista is designated as a qualified CBDO which operates under Community Bridges. This project will be linked to two separate activities.</p> <p>Matrix Code: 5D and 5Z</p> <p>Eligible Activity: Youth Services</p> <p>National Objective: LMC- Low/Mod Limited Clientele</p> <p>Regulatory Citation: 570.208(a)(2)</p> <p>Presumed Benefit: N</p>
Target Date	6/30/2020
Estimate the number and type of families that will benefit from the proposed activities	<p>Statistically there are about 7,115 individuals in the NRSA, which is the primary target for these programs. Of those, with combined program efforts of both Nueva Vista and Community Bridges, about 2,000 individuals will benefit from program services. The NRSA neighborhood has the largest minority (Hispanic) populations in the City. About 40% are Hispanic versus 21% City-wide.</p>
Location Description	Neighborhood Revitalization Strategy Area
Planned Activities	<p>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, youth enrichment programs, emergency food and clothing, and assistance with enrollment into government programs including CalFresh, MediCal and Covered CA. The second program is located at the Beach Flats Community Center which provides youth programs and activities as well as serving as a community center for the neighborhood.</p>
6	Project Name 2019PY California Rural Legal Assistance

Target Area	City-wide
Goals Supported	Increase and preserve affordable housing.
Needs Addressed	Affordable Housing
Funding	CDBG: \$19,500
Description	<p>California Rural Legal Assistance, Inc. (CRLA) will provide assistance to low-income residents of the City of Santa Cruz on a range of housing matters, to help individuals and families make informed decisions and to take action to obtain, maintain, or improve their housing situation. CRLA will accomplish this through individual assistance, including legal representation when necessary.</p> <p>Matrix Code: 5C</p> <p>Eligible Activity: Legal Services</p> <p>National Objective: LMC- Low/Mod Limited Clientele</p> <p>Regulatory Citation: 570.208(a)(2)</p> <p>Presumed Benefit: N</p>
Target Date	6/30/2020
Estimate the number and type of families that will benefit from the proposed activities	86 City low, very low and extremely low income residents in approximately 33 households including homeless persons and those in housing crisis.
Location Description	The program operates city-wide.
Planned Activities	Education, outreach, and legal representation as needed, all related to Housing.

7	Project Name	2019PY Teen Center Operation Costs
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Target Area	2017-2022 Lower Ocean- Beach/South of Laurel Neighborhood Revitalization Strategy Area Low Income Target Area
Goals Supported	Provide community and supportive services.
Needs Addressed	Community Services and Youth Programs
Funding	CDBG: \$35,000 General Fund: \$120,000
Description	CDBG funds will be used toward staff costs for the Teen Center to provide a safe place and programs for teens in a low-income area of the City. Matrix Code: 5D Eligible Activity: Youth Services National Objective: LMC- Low/Mod Limited Clientele Regulatory Citation: 570.208(a)(2) Presumed Benefit: N
Target Date	6/30/2020
Estimate the number and type of families that will benefit from the proposed activities	It is estimated that about 300 Teens participate in the program throughout 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	Low-income target area adjacent to the NRSA
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.

8	Project Name	2019PY Pogonip Farm Kitchen
	Target Area	None
	Goals Supported	Support County-wide Homeless Strategic Plan. Provide Community and Supportive Services
	Needs Addressed	Community Services Homeless Assistance Programs
	Funding	CDBG: \$100,000
	Description	Pogonip Farm Kitchen new construction will allow the Homeless Garden Project to expand the number of meals provided. Matrix Code: 03C Eligible Activity: Homeless Facilities National Objective: LMC- Low/Mod Limited Clientele Regulatory Citation: 570.208(a)(2) Presumed Benefit: Y
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Over 5,000 persons who are homeless will receive free meals.
	Location Description	The Pogonip Farm Kitchen will be located at the site of the Homeless Garden Project in Pogonip
	Planned Activities	New Construction of kitchen facilities at the site of the Homeless Garden Project
9	Project Name	2019PY Rehabilitation Program Delivery Costs
	Target Area	None

	Goals Supported	Increase and preserve affordable housing.
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$8,500
	Description	Activity provides funding for Unified Housing Rehabilitation Program (UHRP) consultant contract to administer existing UHRP loans and staff costs for new rehab projects. Matrix Code: 14H Eligible Activity: Rehab: Administration National Objective: LMH-Low/Mod Housing Regulatory Citation: 570.208(a)(3) Presumed Benefit: N
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	All participants in UHRP are low-, very low- or extremely low-income.
	Location Description	UHRP is city-wide
	Planned Activities	Consultant administers existing UHRP loans. Staff oversees and monitors current and past rehabilitation projects and agreements.
10	Project Name	2019PY CDBG Program Administration
	Target Area	None
	Goals Supported	None
	Needs Addressed	Planning and Administration
	Funding	\$114,352

	Description	Administration funding would partially support 3 staff persons, training and other expenses incurred for operation of the CDBG and HOME Programs and related consultant contracts. Matrix Code: 21A Eligible Activity: General Program Admin
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	Program administration does not require an outcome.
	Location Description	Economic Development Department offices are located at 337 and 330 Locust St.
	Planned Activities	Administration of CDBG and HOME Programs.
11	Project Name	2019PY Boys and Girls Club Downtown Renovation
	Target Area	NRSA
	Goals Supported	Revitalize Community Facilities & Infrastructure
	Needs Addressed	Community Facility Improvements
	Funding	CDBG: \$40,000

Description	<p>Renovation project to increase the security, safety and well-being of members/staff/volunteers while at the Boys & Girls Clubs of Santa Cruz County's Downtown Clubhouse. The project includes redesigning and remodeling the member entry/check-in area to create a controlled single point of entry and exit, installing a Clubhouse wide communication system (PA) with a duress/panic button to discreetly summon emergency assistance if needed and upgrading the security camera system.</p> <p>Matrix Code: 3M</p> <p>Eligible Activity: Childcare Centers</p> <p>National Objective: LMC- Low/Mod Limited Clientele</p> <p>Regulatory Citation: 570.208(a)(2)</p> <p>Presumed Benefit: N</p>
Target Date	6/30/2020
Estimate the number and type of families that will benefit from the proposed activities	999 individuals including 38% at extremely low-income, 12% at very low-income, and 24% at low-income.
Location Description	Boys and Girls Club is located downtown in the NRSA.
Planned Activities	Safety renovation project.

12	Project Name	2019PY Central Park
	Target Area	Low income target area
	Goals Supported	Revitalize Community Facilities & Infrastructure
	Needs Addressed	Community Facility Improvements
	Funding	CDBG: \$84,406
	Description	<p>Park renovation for ADA improvements and improved playground features for residents in low income neighborhood.</p> <p>Matrix Code: 3F</p> <p>Eligible Activity: Parks, Recreational Facilities</p> <p>National Objective: LMA- Low and Moderate Income Area Benefit</p> <p>Regulatory Citation: 570.208(a)(1)Presumed Benefit: N</p>
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	There are 7,126 residents in this census tract, 23% are living below the poverty line.
	Location Description	Central Park project is located on Dakota Ave
	Planned Activities	Park renovation

13	Project Name	HOME Affordable Housing Projects
	Target Area	No target area is indicated
	Goals Supported	Increase and Preserve Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	\$657,767
	Description	This funding is intended to be awarded to Affordable Housing Projects. Upcoming projects that are good candidates for this funding include the Pacific Metro Station which will have over 100 units, and the Jesse St. Project. Projects have to have all other funding secured, subsidy layering completed and a financial analysis that the costs are all reasonable per HUD guidelines.
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	50 households of low, very low and extremely low income will benefit.
	Location Description	Possible projects include Jesse St project and Pacific Metro Station, but are not specifically funded.
	Planned Activities	Affordable housing demolition, construction, pre-development activities as permitted, subsidy layering reviews, environmental reviews and other costs as permitted for HOME Affordable Housing creation.

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): Concurrent with the approval of the 2017-2018 Action Plan, the Lower Ocean/Downtown/River Neighborhood Revitalization Strategy Area (NRSA) was established effective from 2017-2022. The neighborhoods within this new NRSA have the lowest incomes in the City. According to the U.S. Census Bureau, over 40% 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 (40% versus 21% City-wide).

Geographic Distribution

Target Area	Percentage of Funds
Code Enforcement Target Areas	15
2017 Lower Ocean- Beach/South of Laurel Neighborhood Revitalization Strategy Area	34
Low-Income Target Area	98

Table 6 - Geographic Distribution

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

The City plans to utilize HOME funds to support its authorized housing activities, including continued funding for a tenant based rental assistance (TBRA) program. The TBRA program includes the City’s ongoing Security Deposit Program that helps place extremely low and low income houses in permanent affordable housing. Prior year CDBG and HOME funds were contributed to the Water St. Housing Project which will complete at the beginning of the 2019 program year, so these 41 affordable units are included below.

For the Jessie Street Rehabilitation Project, HOME CHDO funds were also allocated under the prior year’s Action Plan to assist with site demolition and other related costs, but these totals are not included below as the project will not reach completion in this program year.

In addition to the numbers below, the City General funds and City Red Cross funds support a limited Emergency Rental Assistance Program that provides up to 2 month’s rent for households facing eviction. The charts below do not reflect these numbers as they are not funded with CPD dollars.

One Year Goals for the Number of Households to be Supported	
Homeless	10
Non-Homeless	86
Special-Needs	0
Total	55

Table 7 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	55
The Production of New Units	41
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	96

Table 8 - One Year Goals for Affordable Housing by Support Type

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 3 Public Housing projects owned by the HA are located in the City. There are 234 Public Housing units, and over 5,000 vouchers administered by the Housing Authority, the majority are within the City of Santa Cruz, though some are within the greater county of Santa Cruz.

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

Although no HOME or CDBG funds have been allocated to the HA, City staff will continue to interface with the HA regarding the potential to develop public housing. However, at this time the HA, which oversees all Public Housing in the County, does not anticipate nor does it have a strategy for developing any additional Public Housing projects within the timeframe of the 2019-2020 Action Plan. The Capital Fund Program (CFP) is the only funding for public housing agencies to rehabilitate the aging public housing stock, and generally doesn't provide adequate funding for this goal. The focus of the Housing Authority will be to continue to maintain its existing housing and to assist the City in preserving "at-risk" housing as existing contracts for Project Based Section 8 Program housing expire.

The Housing Authority of the County of Santa Cruz has a Request for Proposals posted on the website to support the Agency's goal of expanding the supply of affordable housing. In the coming year, the Housing Authority is increasing its Project Based Voucher stock with 33 of the units in the Water St. project within the City of Santa Cruz, and an additional 82 units in the greater county.

The Housing Authority has worked with the City to expand the Landlord Incentive Program. This incentive program offers up to \$2,500 to landlords who claim expenses beyond security deposits for tenant damages, vacancy loss, legal fees and other costs when a Housing Choice Voucher (HCV) tenant vacates a unit. This risk-mitigation program proactively addresses landlord fears they might be left with greater expenses from voucher-assisted tenants. This program is funded through the Affordable Housing Trust Fund.

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

Public housing residents are encouraged to become more involved through the Housing Authority, which has a public housing resident on their Resident Advisory Board. Tenant meetings are held at each one of the sites. However, since these projects are scattered small sites, there is no other role for residents in the management system.

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, as the PHA is categorized as a high performer.

Discussion

The Housing Authority also provides programs such as the Family Self-Sufficiency Program which encourages voucher holders to increase their income and develop financial security. The Housing Authority also partners with countywide agencies to provide special voucher programs to target Homelessness Prevention and supported housing programs.

The Housing Authority of the County of Santa Cruz continues to maintain high performer status on both Section 8 and Public Housing assessments.

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 \$100,000 in HOME funding that will be used for Security Deposit Assistance to persons with Very Low Income or below, the City also will contribute over \$1,000,000 of the general fund to fund programs such as: homelessness referral programs, outreach programs, homeless census funding, data entry (HMIS), winter shelter, interim shelters, hygiene services, mental health intervention, PACT funding and shared County Wide partnership costs.

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. In addition, the City has the following programs that provide outreach in the City's Downtown.

- **Downtown Outreach Workers** engage homeless individuals in the City's downtown and connect 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 caseworker 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.
- **Bob Lee Community Partnership for Accountability, Connection, and Treatment (PACT)** 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. PACT 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.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City funds agencies providing 186 year round shelter beds and 152 seasonal shelter beds. These include the following:

Homeless Services Center

- Rebele Family Shelter: up to 96 beds for families with children

- Paul Lee Loft Shelter: 46 beds for adult men and women
- Winter Shelter: 152 beds for adults and families
- Recuperative Care Center: 12 beds for adult men and women

Encompass Community Services

- River Street Shelter: 32 beds for adults mostly with mental illness

TOTAL: 332 beds

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

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 support, 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 City also aims to increase homeless outreach services and mobile behavioral health services and has created a Homelessness Coordinating Committee with the aim to continue to improve and implement program changes.

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 household needs and provides tailored resources for persons in crisis. We can achieve this goal by better assessing people’s needs 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 2019-2020 Program Year.

- Target prevention resources to those most at risk of entering the shelter system, including working with the Countywide HAP to prioritize prevention projects for California State ESG Program funding.
- Address the “All In” strategies regarding at risk seniors by continuing to implement the My House My Home 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 Monterey Bay.
- Continue implementing strategies to help homeless persons being discharged from institutions.
- Fund Homeless Services Center with \$30,000 in new program funding for expand hygiene services and hours of operation available.

Discussion

As noted above, the City has initiated a pilot program to help very low and extremely low elderly homeowners that spend more than 50% of their income on housing related costs and do not have an extensive support system to help them withstand any crisis. In partnership with Habitat for Humanity Monterey Bay, Accessory Dwelling Units will be built on the homeowner’s property giving them the flexibility to downsize or have in-home help. The main house or ADU will be rented at affordable rates and will provide the senior homeowner with additional income as needed to live more sustainably in their home. This program is being funded through the City Affordable Housing Trust Fund, and there are continued plans to expand and continue this program in coordination with HOME funds. The added ADUs will also provide additional affordable units, available to Very Low-income households. The City continues to face a homelessness crisis, which is why this year’s budget allocates over \$1,000,000 to homelessness related services, shelters, outreach and prevention. At a time when the City faces a deficit, but is still increasing funding in this area while being forced to cut some programs underscores the importance of the crisis of homelessness in Santa Cruz.

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

Introduction:

This section describes the City's plan to address barriers in affordable, which include:

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

Actions 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 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 2019-2020 Action Plan.

- City plans to introduce Assembly Bill 411 (AB-411) for approval by the State Legislature. AB-411 will allow the City to access an additional ~\$16 million of former redevelopment agency funding to create much needed affordable housing.
- Work with developers to encourage affordable housing development under the inclusionary housing ordinance and density bonus ordinance.
- Encourage smaller units and higher densities to lower developer and housing costs. During the 2019-2020 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.
- Implement an amnesty program to legalize existing unpermitted Accessory Dwelling Units (ADUs). In addition, consider reducing or eliminating parking requirements for detached new construction ADUs and modifying site and building standards to make it easier to build ADUs.
- Continue to encourage the development of new ADUs through the City's ADU Program by considering a reduction in ADU permitting fees.
- Implement the My House My Home ADU pilot program to help low-income seniors age in place

with additional income from a new construction rental ADU in their backyard. Partner with Habitat for Humanity Monterey Bay to provide financing to build these ADUs.

- Determine what constitutes a large rent increase and draft regulations for relocation assistance when a tenant is forced to move because of a substantial rent increase.

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 2019-2020 Program Year. With the goal of streamlining the City planning and permitting process, the Planning Department will apply for the SB 2 Planning grant funding when it is available.

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 2019-2020 Program Year.

Discussion:

See above.

AP-85 Other Actions – 91.220(k)

Introduction:

This section reports additional efforts the City will undertake during the 2019-2020 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 over \$1.3 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 Agencies 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. In addition, the City is considering establishing additional revenue sources through a local bond measure.

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 that will foster and maintain affordable housing in the City of Santa Cruz:

- **Water Street Affordable Housing Project.** For the Future Housing is currently constructing a 41 unit affordable housing development that uses multiple sources of funding, including: City CDBG and HOME Program funds; former Redevelopment Agency bond proceeds; City Affordable Housing Trust Funds; Housing Authority of Santa Cruz County allocation of HUD project based Housing Choice Vouchers; and Federal 4% Low Income Housing Tax Credits.
- **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 to develop a multi-story, mixed use building that would include approximately 100 units of new housing, a portion of which would provide new affordable housing units.
- **Zoning of Transportation Corridors.** The City Planning Department is in the process of amending the City zoning ordinance to allow higher densities along the City main transit corridors.
- **Inclusionary Housing Ordinance.** The ordinance requires developers of market rate ownership housing to include affordable ownership units. In 2018, the City revised 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.

- Former Redevelopment Agency funding that has the potential to be re-allocated to affordable housing development if State Assembly Bill 411 (AB 411) passes.

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 expects to fund numerous community agencies to provide services to enable people in poverty to attain self-sufficiency. These include services 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

In 2016, the City and County of Santa Cruz worked together to create a new coordinated approach for the County and City to fund safety net services in the community, called CORE. It emphasizes results and evidence-based spending over three years, focusing funding on four priority areas. CORE funding from the City and County will be used to implement practices based on Evidence-Based Practices (EBPs) to improve outcomes for the target populations.

Internally, City Departments use a series of Managed Meetings to promote greater coordination between all City Departments to minimize the duplication and maximize effectiveness of efforts. For example, a Managed Meeting was held as part of the coordinated outreach for the 2017-2022 NRSA Plan.

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 Water Street Affordable Housing Project and the Pacific Station mixed use development project. The latter project has the potential to coordinate its development with an adjacent for-profit housing developer.

In the 2019-2020 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 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 countywide

Continuum of Care Homeless Action Partnership (HAP).

Discussion:

The majority of City of Santa Cruz activities furthering the goals of the Consolidated Plan are provided by community agency partners. This will continue to be the case in the 2019-2020 Program Year.

Program Specific Requirements

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

Introduction:

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.

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(I)(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:

First Time Homebuyer Loan Recapture: Although the City does not currently have a First Time Homebuyer Program (FTH), loans made under the prior FTH Program require principal and contingent interest to be repaid upon sale or transfer of the property under the HOME recapture provisions at 24 CFR 92.254(a)(5)(ii)(A). Article IV(M)(7)(a) of the City's FTH Guidelines defines contingent interest as shared net appreciation. Article IV(M)(9) discusses "net proceeds" and provides the formula for recapturing same.

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.

Since the City of Santa Cruz is a relatively small community, City staff work closely with affordable housing providers and developers to determine what projects may be eligible for HOME Program funding. Although the City solicits HOME Program applications through its annual Notice of Funds Available and handles any applications received as a part of the annual Action Plan process, the City will accept applications for HOME Program funding at any time during a Program Year. Although these are processed on a first come, first serve basis an emphasis is placed on project readiness and consistency with City and Consolidated Plan housing goals.

In addition, since the City receives such a small amount in HOME Program funding, from a practical standpoint Community Housing Development Organizations (CHDOs) are increasingly being given a priority in order to enable the City to combine CHDO set-aside funds with regular HOME Program funds to create a more meaningful contribution to a project. Although the City encourages projects that provide housing to very or extremely-low income populations, the City does not have specific preferences established in the City Policies and Procedures Manual.