



CITY OF SANTA CRUZ 2020-2025 CONSOLIDATED PLAN 2020-2021 Action Plan



**Housing and Community Development
Economic Development Department**

May 2020 DRAFT



CITY OF SANTA CRUZ 2020-2025 CONSOLIDATED PLAN 2020-2021 Action Plan

DUNS No. 050515881

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Executive Summary

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

1. Introduction

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

This Plan lays out the City's overall investment strategies for the City's use of federal entitlement grant funds for affordable housing, homelessness, addressing poverty, and community development from July 1, 2012, through June 30, 2025. For each of the five years covered by the Plan, the City must develop an Action Plan that implements the Consolidated Plan through an allocation of funds. The Consolidated Plan and the Action Plan refer to Program Years (PY). PYs are referred to by the year in which the PY begins. This differs from the City's Fiscal Year (FY) which is referenced by the year when the FY ends. Accordingly, the 2020 PY referenced in these HUD documents is equivalent to the City's 2021 FY. For ease of inclusivity and better communication, this five year Consolidated Plan is referenced as the 2020-2025 Consolidated Plan, indicating the year in which it begins and then year it ends.

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

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

The content of the Plan in each of these sections is provided by responses to a series of questions. To clearly identify these HUD questions, they have been enclosed in a box. Most of the data tables in the Plan are populated with default data from the U.S. Census Bureau, most commonly using the 2012-2018 American Community Survey (ACS) and Comprehensive Housing Affordability Strategy (CHAS) data. If other sources of data are used, this is noted throughout the Plan.

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

The Needs Assessment identified several target populations:

- Renters, especially very low income (VLI).
- Extremely low-income (ELI) and very low-income Hispanic households.
- Persons experiencing homelessness (listed as highest priority in community survey).
- Persons with mental health issues.
- Seniors, especially low and VLI.
- Persons with a substance use disorder and/or chemical dependency.
- Children and youth, especially ELI, VLI and low income.
- Persons with disabilities.

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

- Affordable rental housing development especially for the lowest income brackets.
- Housing preservation.
- Permanent supportive housing for homeless persons/households.
- Homeless prevention and rapid rehousing programs.
- Child and Youth Programs.
- Assistance for Hispanic community.

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

1. Increase and preserve the supply and quality of affordable housing.
2. Revitalize and maintain community facilities & infrastructure for the above-described populations
3. Support the County-wide Homeless Strategic Plan and the Focus Strategies Action Plan that will be finalized this fall.
4. Provide community and supportive services for the above-described populations.

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

3. Evaluation of past performance

Since the dissolution of Redevelopment Agencies in California and state and federal funding has decreased due to limited availability, it has been extremely difficult for the City, affordable housing

developers, and community service providers alike to fund operating, program, and project costs. After years of implementing fiscally conservative measures to stabilize the City's budget after the Great Recession, the City has been working to be in a better position to continue to maintain a high level of support for non-profit community programs serving the City. However, since the COVID-19 pandemic began in March 2020, the City's budget has been decimated by the lack of TOT, sales tax and parking fee revenue as well as the inability of businesses and residents to pay utility bills and rent. Several local businesses are closing their businesses permanently because they can't survive the impact of the Shelter-in-Place State executive orders. In addition, residents are struggling to pay rent and monthly bills because they're not working. Even more than before, the City, as well as the State, is in an affordable housing crisis as the housing supply cannot keep up with the demand and future projections show new construction is decreasing. Due to the lack of local funds dedicated for affordable housing that used to be provided by the Redevelopment Agency, the City needs a significant amount of state and federal funding to jumpstart the development of proposed affordable housing sites throughout the City. Unfortunately, because Santa Cruz is not a large Metropolitan city compared to other larger cities in the region, it does not score competitively for several of the State Housing & Community Development Funding Programs, which could lead to a delay in jumpstarting the several City-owned affordable housing sites that are in the planned development pipeline.

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

- **Water Street Apartments:** 41 new affordable housing units were completed that include housing for the Developmentally Disabled population.
- **Habitat for Humanity:** The City helped implement a pilot program, My House My Home, which is designed to keep fixed income senior homeowners age in place by supplementing their fixed income with rental income from an affordable ADU built on-site. Three ADUs have been constructed so far. Due to its success, the City is considering making this a permanent program.
- **Riverfront & Casa del Rio Apartments:** 71 existing affordable units, including 32 units converting to affordable, were awarded with affordable housing tax credits and a tax-exempt bond (last financing needed) to rehabilitate the property, extending their affordability covenant for another 55 years. The rehab work is planned to begin later this summer and will keep tenants in place during rehab.
- **GRID Solar Installation Project:** The City helped implement an Affordable Housing Solar Installation Program with GRID Solar that has provided solar to three single-family homes and one non-profit center so far.
- **801 River Street Project:** New Way Homes is getting underway with a rehab of a seven unit conversion project that will increase the City's affordable housing supply.
- **350 Ocean Street Project:** Construction is underway on a 63 unit 100% affordable rental apartment building with 100% lease-up expected late 2020.
- **180 Coral Street (PSH) Project:** By this fall, New Way Homes is planning to have entitlements approval for a permanent supportive housing project with 121 units.
- **Pacific Station Project:** The City has been acquiring parcels to assemble affordable housing sites in the downtown. The City is partnering with an affordable housing developer for Phase 1 of the development. Obtaining state and/or federal funding sources will be critical to get this project constructed.
- **Jessie Street Project:** MidPen Housing is getting ready to submit a plan review application to rehab its 14 unit affordable housing development and more than double the number of new affordable apartments on-site that will significantly add to the City's affordable housing supply.
- **Depot Park Improvement Project:** Bicycle Trip bike park improvements projects were completed at Depot Park.
- **Homeless Services Center (HSC) Improvements:** While CDBG funds had been awarded to HSC, now called Housing Matters, for a sewer line replacement at its Paul Lee Loft/Day Services Center, the City Public Works Department was able to fix the line without replacing it so this funding is now being reallocated for hygiene bay improvements that are in high demand, especially during this COVID-19 pandemic. Since Housing Matters has had success with their Recuperative Care Center, they have expanded these services.
- **On-Going Public Services:** CDBG funding services include: youth programs at the Teen Center and Beach Flats Community Center; Nueva Vista Community Resource Center (formerly Familia

Center) serving the Hispanic Community; and the Housing Authority-administered Security Deposit Program to help very low-income individuals and families more easily access rental housing.

- **Lower Ocean and Beach/South of Laurel Neighborhood Revitalization Strategy Area (NRSA):** Progress has been made on all but 7 of the 52 activities included in the NRSA Plan with more than half being completed.

4. Summary of citizen participation process and consultation process

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

- **General Santa Cruz Community:** Feedback from the Santa Cruz community was solicited during four City Council meetings at various points in the Consolidated Planning process, including: (1) both meetings in January 2020 regarding priorities and needs; (2) in March 2020 a discussion of goals and strategies, and (3) in May 2020 a final public hearing on the 2020-2025 Consolidated Plan, 2020-2021 Action Plan and the CARES Act CDBG-CV funding recommendations. As part of the community outreach for the 2020-2025 Consolidated Plan, a priorities and needs survey was posted on the City's website from December 2019 to February 2020 to gather community feedback. Council members posted the survey link on their social media and the City Manager made several public announcements to inform the community that the survey was available to take beginning in December 2019. Hard copies of the survey were made available at the downtown public library for those without internet access. Nine hundred and eighty-one (981) community members from all areas/neighborhoods in the city submitted survey responses.
- **Public Service Providers:** Two Community Program Committee meetings for non-profit service providers were held, in January 2020 and February 2020 to discuss needs and priorities.
- **Focused Outreach:** Outreach was also included for special populations or groups:
 - **Neighborhoods: During December 2019 and January 2020,** Santa Cruz Neighbors made multiple announcements, via social media Facebook posts and email, to take the Con Plan survey focused on priorities and needs. Neighbors of Lower Ocean (NOLO) posted the survey link on their NextDoor news feed in January 2020.
 - **Hispanic Community:** Focused outreach to the Hispanic community was done through two in person surveys, one in the Beach Flats Park and one at Nueva Vista Community Resource Center (formerly Familia Center). The survey was also made available during the month of January at the Resource Center to try and reach as many community members as possible. Survey questions were provided in both Spanish and English.
 - **Youth:** Outreach to youth occurred in a meeting at the Teen Center on January 21, 2020.
 - **Homeless:** Outreach to the homeless and organizations serving or advocating for the homeless occurred via multiple formats: the survey was distributed widely through Housing Matters social media outlets and the City's Citizen Advisory Committee on Homelessness (CACH). At the December 17, 2019 CACH meeting, there was a discussion on needs and priorities to inform the Con Plan. City staff participated in community discussions on ending homelessness

led by Housing Matters and hosted at the downtown library (August 15, 2019, September 26, 2019, November 7, 2019 and February 12, 2020). In addition, City staff participated in Councilmember Drew Glover’s November 13, 2019 and November 20, 2019 community discussions on housing and homelessness needs and priorities in the City of Santa Cruz.

- **Consultations:** Consultations with specific service providers or other governmental agencies occurred primarily through telephone contacts or scheduled meetings. For homeless issues, this was done through meetings with the County’s Homeless Service Coordinator, the County’s Homeless Action Partnership (HAP) and the County’s engagement with Focus Strategies to conduct an assessment of current efforts to address homelessness in the community and to help design and implement a more coordinated and systematic response. As part of this work, Focus Strategies is assisting the County’s Human Services Department (HSD) to determine how to integrate a countywide Diversion practice, connected to the Coordinated Entry System – Smart Path, and analyze alternate models for Smart Path implementation. For other City department needs, a “managed meeting” was held with directors or their representatives of various City departments.

The Consolidated Plan was available starting on March 27, 2020 for a HUD required 30 day public review before final adoption at the second and final Public Hearing on May 12, 2020. COVID-19 related changes were incorporated after an additional 5 day public review per the emergency conditions specified in the updated Citizen Participation Plan effective June 1, 2020.

5. Summary of public comments

Public comments will be summarized in this section after the 30-day public comment period for the Draft Consolidated Plan.

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

Public comments will be summarized in this section after the 30-day public comment period for the Draft Consolidated Plan.

7. Summary

Please see above.

The Process

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

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

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

Table 1 – Responsible Agencies

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

Narrative

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

Consolidated Plan Public Contact Information

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

Introduction

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

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

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

- Through the annual distribution of funding, City staff work with housing and service providers to develop eligible activities and projects that meet the needs of the community, prepare applications, provide technical assistance and project management to ensure successful programming.
- Economic Development Department staff are active in local and regional boards, committees and coordination efforts.
- HCD staff has established strong working relationships with local housing and service providers and regularly discuss housing and human service needs and to develop strategies to address these needs.
- HCD staff is in regular communication with neighboring jurisdictions to work together to coordinate local service provider activities and funding.

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

The City of Santa Cruz coordinates very closely with the Santa Cruz County Continuum of Care (CoC) and all of its members. The CoC covers the entire geography of Santa Cruz County, including the Cities of Santa Cruz, Watsonville, Capitola, and Scotts Valley, as well as large unincorporated areas. The lead planning body for the CoC is the Homeless Action Partnership (HAP), founded in 2003, a community-wide action team that meets regularly to implement and coordinate a CoC strategy for preventing and ending homelessness. The full HAP includes 30 active organizational and individual members representing all geographic parts of the county, as well as a broad range of stakeholder categories such as nonprofit homeless assistance providers, victim service providers, faith-based organizations, government departments, advocates, public housing authority, school districts, social service providers, mental health agencies, health providers, affordable housing developers, Veterans service providers, youth service providers, and persons with lived experience of homelessness.

The City of Santa Cruz participates in all HAP meetings and takes a leadership position in the CoC by serving as a member of the HAP Governing Board, which makes key CoC and other funding and policy decisions, and of the HAP Executive Committee, which coordinates the activities of the County and Cities around a unified CoC strategy and plan for preventing and ending homelessness.

The CoC and City of Santa Cruz work closely together to address the needs of varied homeless populations, including persons experiencing chronic homelessness, families with children, Veterans, and unaccompanied youth, as well as the needs of persons who are at risk of homelessness. These efforts are guided and defined by the CoC's and the community's 2015 homeless strategic plan, called *All In - Toward A Home For Every County Resident (All In)*. *All In* provides the vision and framework for countywide coordination to address the needs of all homeless populations, and includes specific outcome goals, measurable indicators, and action strategies for addressing the following seven strategic priorities:

1. Transforming the Crisis Response System
2. Increasing Access to Permanent Housing
3. Integrating Systems and Community Support
4. Ending Chronic and Other Adult Homelessness
5. Ending Family Homelessness
6. Addressing Needs in South County
7. Initiating a Response to Youth and Young Adult Homelessness
8. Ending Veteran Homelessness

Recently, the County and HAP with City collaboration have retained Focus Strategies, a nationally known homelessness consulting group, to carry out an assessment of the county homelessness crisis response system. Once this assessment is complete, the next step in the process will be to conduct strategic planning that will build on and refine *All In*, affirm the need for a regional response to homelessness, and integrate a series of recommendations coming out of Focus strategies-led working groups.

Like other communities in California, the City of Santa Cruz has been working hard to address very high levels of unsheltered homelessness. Key steps for the City have been to convene a Homeless Coordinating Committee, to develop a series of short-term and long-term actions steps (in line with *All In*). The Cities has also formed a Community Advisory Committee on Homelessness (CACH). City staff have worked tirelessly with the CoC, other jurisdictions, the community, and affected persons to develop and implement new programs, e.g., new emergency services, emergency shelters, and navigation centers, to address immediate needs. This has included coordinating with the HAP Board and HAP Executive Committee to identify program priorities and make funding decisions for the California Emergency Solutions and Housing Program (CESH), Homeless Emergency Aid Program (HEAP), the Homelessness Housing Assistance and Prevention Program (HHAP), and for County and City funding sources.

The City of Santa Cruz consults and coordinates with the HAP in all activities regarding Emergency Solutions Grants (ESG), performance standards and evaluation, and HMIS policies and procedures. Regarding ESG, 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 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 also works with the HAP 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 Board, participates in the evaluation 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, McKinney-Vento education, 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. The City has participated in all aspects of HMIS implementation and operating, including oversight of Community Technology Alliance (CTA) as the HMIS lead agency, selection of BitFocus Clarity as the new HMIS software, development and updating of HMIS agreements and policies and procedures around client confidentiality, data collection, computer entry, training, security, user fees, integration of HMIS with CES, and reporting. The HAP's HMIS Policy Committee addresses all HMIS issues, bringing discussions as needed to the full HAP for policy and other significant decisions. HMIS data are used for case management, CES operations and data sharing, HUD reporting, program performance measurement, system performance measurement, and measuring outcomes under this Consolidated Plan.

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

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

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	CITY OF SANTA CRUZ
	Agency/Group/Organization Type	Local Government/Jurisdiction
	What section of the Plan was addressed by Consultation?	Homeless Needs for Chronically homeless; Non-Homeless Special Needs Infrastructure and Community Facilities
	How was the Agency consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Meeting with City Department Heads to identify infrastructure and other community priorities. The outcome was a shared urgency to address homelessness needs for the Chronically homeless and the critical need for more housing opportunities in general for City employees and the community at large.
2	Agency/Group/Organization	COUNTY OF SANTA CRUZ- Planning Department
	Agency/Group/Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment; Lead-based Paint Strategies; Homelessness Strategy; Homeless Needs for Chronically homeless; Families with children; Veterans; Unaccompanied youth; Non-Homeless Special Needs; and Anti-poverty Strategy
	How was the Agency/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations were done in meetings and telephone conference calls (special needs/housing). City staff participate in the County’s Housing Advisory Committee. The outcome is better coordination, sharing of data and resources, especially during the COVID-19 pandemic when everyone is challenged to figure out new ways to administer programs and services.
3	Agency/Group/Organization	COUNTY OF SANTA CRUZ- County Administrative Office
	Agency/Group/Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Lead-based Paint Strategies; Homelessness Strategy; Homeless Needs for Chronically homeless; Families with children; Veterans; Unaccompanied youth; and Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations were done as in-person interviews and group meetings. CAO participated as a lead agency in the HAP strategic planning efforts.

4	Agency/Group/Organization	NUEVA VISTA FAMILY RESOURCE CENTER (Familia Center)
	Agency/Group/Organization Type	Service Provider for the Hispanic Community and Youth Services.
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs; Anti-poverty Strategy; and Hispanic Community & NRSA needs.
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations by telephone and site visits. Center also conducted surveys for the Con Plan. The outcome is improved link with Hispanic community's needs. Center is also an active part of the City's Community Programs and attended Community Program public meetings.
5	Agency/Group/Organization	HOUSING MATTERS
	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 Agency/Group/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. Housing Matters is also an active part of the City's Community Programs and attended Community Program public meetings.
6	Agency/Group/Organization	ENCOMPASS COMMUNITY RESOURCE CENTER
	Agency/Group/Organization Type	Services-Persons with Disabilities; HIV/AIDS; and Homeless.
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless; Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations by phone and in group meetings regarding homelessness. Encompass is also an active part of the City's Community Programs and attended Community Program public meetings. Outcome is better awareness of mental illness and its impact on chronic homeless and difficulties regarding permanent housing.

7	Agency/Group/Organization	SENIOR NETWORK SERVICES (SNS)
	Agency/Group/Organization Type	Services – Seniors.
	What section of the Plan was addressed by Consultation?	Homelessness Strategy; Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations by phone regarding senior issues. SNS is also an active part of the City’s Community Programs and attended Community Program public meetings. Outcome is greater awareness of and inclusion of key issues affecting seniors regarding housing. Latest Area Agency on Aging in Santa Cruz County highlighted recent increases in homelessness as well as the continual challenge of paying for medical/dental costs.
8	Agency/Group/Organization	HABITAT FOR HUMANITY
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs; Housing
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations in meetings regarding affordable housing. Outcome is successful pilot program, My House My Home, to help vulnerable seniors at risk of homelessness that also creates additional rental housing through an ADU program.
9	Agency/Group/Organization	MIDPEN HOUSING
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Consultation in meetings and telephone conference calls regarding affordable housing and financing issues. Outcome is potential expansion of affordable housing opportunities.
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultations in meetings regarding affordable housing. Recently passed State legislation is making it feasible to move forward on an expansion of an existing special needs housing development.
10	Agency/Group/Organization	New Way Homes
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Consultation in meetings and telephone conference calls regarding homelessness and permanent supportive housing and financing issues.

How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Outcome is a permanent supportive housing project is currently going through City plan check review. Recently passed State legislation is helping to make this affordable housing project possible.
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11	Agency/Group/Organization	Community Action Board (CAB)
	Agency/Group/Organization Type	Tenant based Rental Assistance
	What section of the Plan was addressed by Consultation?	Homelessness and Housing.
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation in meetings and conference calls regarding emergency tenant based rental assistance during the COVID-19 pandemic. Outcome is utilizing CARES Act funding to create an emergency TBRA program during the pandemic.

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

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

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

Table 3 – Other local / regional / federal planning efforts

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
<i>All In</i> Plan	CoC Homeless Action Partnership /County of Santa Cruz as lead	The City of Santa Cruz is a financial partner and participant in CoC HAP. Appropriate goals and strategies from the <i>All In</i> plan have been incorporated into the Consolidated Plan Strategic Plan Section.
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
Final Report & Recommendations	City of Santa Cruz, Homelessness Coordinating Committee	The Final Report and Recommendations of the City Homelessness Coordinating Committee set forward short-term and long-term recommendations for addressing homelessness in the City of Santa Cruz. This plan is consistent with All In and with the Consolidated Plan.

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

The County of Santa Cruz provides regional planning and coordination of services and service providers. The three areas of greatest interface with the County include: (1) the County’s Human 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, Medical Care, Substance Abuse Prevention and Treatment, and Mental Health; (3) the Housing Division of the Planning Department which is responsible for a broad range of affordable housing planning and development programs; (4) the County Administrative Office which is responsible for the HAP (coordinates meetings, planning efforts, homeless counts, HMIS, CES, and CoC, ESG, and other State funding applications); and (5) the District Attorney’s Office, which provides Fair Housing counseling and assistance to the community. In addition, the City works with the County on commissions and boards such as the Regional Transportation Commission and the Workforce Investment Board of Santa Cruz County. The HAP and regional commissions and boards typically involve all other jurisdictions within Santa Cruz County.

The City works with the California Housing and Community Development (HCD) Department and California Homeless Coordinating and Financing Council on housing- and homelessness-related projects that are funded by the State. These include the No Place Like Home Program, California

Emergency Solutions and Housing Programs, Housing for a Healthy California Program, Homeless Emergency Aid Program, and Homelessness Housing, Assistance and Prevention Program.

Housing Authority of the County of Santa Cruz (HA): The HA provides support for the City's housing programs on an as needed basis, including qualifying tenants and buyers in the City's affordable housing programs and manages the City's Security Deposit Program. In addition to the Section 8 Program, which provides rental assistance to very-low income residents, the HA also manages the regional Mortgage Credit Certificate (MCC) Program. HA staff has also provided invaluable assistance in preserving "at-risk" affordable housing by helping the City encourage renewal of the HUD contracts for the City's Project Based Section 8 developments. Finally, the HA has helped to address low voucher utilization in Santa Cruz through its Landlord Incentive Program reimbursing landlords for damages up to \$2,500, and has helped address chronic homelessness through a Section 8 limited preference for disabled and medically vulnerable homeless persons

PR-15 Citizen Participation

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

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

- The December 17, 2019 Community Advisory Committee on Homelessness (CACH) meeting where City Staff asked attendees to provide feedback on community priorities and needs via the Con Plan survey (both paper copies on site and notification of the online location). There were approximately 40 individuals in attendance, and 14 completed paper surveys. Some of the individuals in attendance were experiencing homelessness.
- Participants from prior City housing events (Affordable Housing Finance 101 and Affordable Housing Bike Tour) were emailed with a description of the Con Plan survey and the link to take the survey. This was emailed to about 40 individuals.
- Local neighborhood groups posted and shared the online survey with more than 26,000 community members to solicit feedback.
- One Community Program Committee meeting was held on February 27, 2020. Although this is primarily for non-profit service providers, the public was welcome. There were multiple public comments received at this meeting
- Focused outreach to the Hispanic community was done through multiple in person surveys, one conducted on December 22, 2019 in the Beach Flats neighborhood in conjunction with a community luncheon another was done on January 15, 2020 at Nueva Vista Community Resource Center at one of their regular food distributions. Surveys were available at the subsequent distribution on January 24, 2020.
- Announcement made at the beginning of both January City Council Meetings requesting feedback on community needs and priorities in the online survey, both in English and Spanish.
- Outreach to youth was done through a meeting at the Teen Center on January 21, 2020. There were approximately 10 participants in this meeting.
- The Consolidated Plan goals and priorities were discussed in a noticed and advertised City Council Public Hearing held on March 10, 2020. There were some comments from the public expressing concern at funding Homeless Infrastructure projects at the level recommended. There were also comments from applicants and those affiliated with applicants in support of their program. Lastly, there was a comment from the public about the disadvantages of those experiencing homelessness.
- The Consolidated Plan goals and priorities were discussed in a noticed and advertised City Council Public Hearing held on May 12, 2020. There was a comment from the public expressing concern related to the effects and impacts of COVID-19, specifically on food stamp availability and unemployment benefits in the community and how restrictive some of the steps to receive assistance are. There were also comments from applicants and those affiliated with applicants in support of their programs. Lastly, there was a comment from the public about the disadvantages of

over enforcing COVID-19 laws in the City.

The Consolidated Plan was available for public review during a public comment period from March 27 through April 27. A public notice announcing its availability was published in the Santa Cruz Sentinel on March 27. Due to the COVID-19 crisis, the second public hearing on the Consolidated Plan was continued at the April 28 City Council meeting and was held at the May 12, 2020 City Council meeting. This was followed by a 15 day public review period beginning on May 13, 2020 through May 28, 2020.

Broadened public outreach to specific populations, including the Hispanic community, youth, neighborhood associations, and the homeless (through the “All In” planning process and the City’s Community Advisory Committee on Homelessness (CACH)) provided invaluable input that helped identify Plan goals and priorities such the need for pedestrian/ sidewalk improvements, increased lighting in some neighborhoods, and youth programs.

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

Table 4 – Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received
1	Public Meeting	CPC and Service Providers	For each meeting, notices are sent out to nonprofit Service Providers and HOME and CDBG applicants. A total of about 5-10 people attended the meeting.	Youth services/ programs/ facilities; Homeless programs and infrastructure; Tenant resources.
2	CC Discussion	Community & Elected Officials	About 10-20 persons attended the Public Hearings.	Youth services/ programs/ facilities; Homeless programs and infrastructure; Tenant resources.
3	Neighborhood Organizations Mailings and postings	Residents	26,000 members of the Neighborhood groups; all responses were received through the online survey	Support for the homeless and those experiencing homelessness; supportive and transitional housing; more housing in all types (rental, ownership, ADU).
4	2 in person survey events	NRSA/Hispanic residents of Beach Flats and Lower Ocean Street neighborhoods	20-30 participants per visit	Senior and youth programs; support those with disabilities; support those experiencing homelessness; Parks & Rec facility improvements and job training.
5	Online Survey	All members of the community	Approximately 980 responses received.	Senior and youth programs; support those with disabilities; support those experiencing homelessness; Parks & Rec facility improvements and job training.
6	Teen Center	Members of Teen Center	8-10 teens plus staff	Those experiencing homelessness & young adults experiencing homelessness as some of the groups most needing assistance; Increased Youth Programs and Job Training Opportunities ; Parks and Rec facility improvements.
7	Community Meeting on	Community wide	40 attendees, 20 participants	Identified need for more affordable housing in general and permanent supportive housing designated for

	Homelessness			chronically homeless.
8	2 Public Hearings	Advertised – all community	Approximately 20 persons total	Support of Con Plan and Action Plan noted. Comments about homelessness needs.

Needs Assessment

NA-05 Overview

Needs Assessment Overview

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

NA-05: Overview

NA-10: Housing Needs Assessment

NA-15: Disproportionately Greater Need –Housing Problems **NA-**

20: Disproportionately Greater Need –Severe Housing Problems

NA-25: Disproportionately Greater Need –Housing Cost Burdens

NA-30: Disproportionately Greater Need –Discussion

NA-35: Public Housing

NA-40: Homeless Needs Assessment

NA-45: Non-Homeless Special Needs Assessment

NA-50: Non-Housing Community Development Needs

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

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

Summary of Housing Needs

The availability of affordable housing continues to be the greatest housing need facing the City of Santa Cruz. The National Association of Home Builders (NAHB) consistently ranks Santa Cruz within the five least affordable places to buy a home in the United States. As a result only 47% of households in the City of Santa Cruz own their own home versus a state wide average of 55% and a national average of 65%. Even though approximately 53% of households in Santa Cruz are renters, it is equally difficult for renters to afford a home in Santa Cruz. According to the July 1, 2019 “Comprehensive Housing Market Analysis Santa Cruz-Watsonville, California” prepared by the U.S. Department of Housing and Urban Development (HUD), the average rent in Santa Cruz-Watsonville area is \$2,348 (as per data from the 2017 American Community Survey). American Fact Finder (affiliated with the United States Census Bureau) shows that approximately 53% of renters in Santa Cruz County pay 35% or more of their income in rent every year (as of 2017).

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

The greatest cost burden falls on extremely low-income renters. Over 66% of extremely low income renter households have a cost burden of over 50%.

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

Analysis in all tables below is based on US Census Comprehensive Housing Affordability Strategy (CHAS) data available from HUD and US Census American Fact Finder.

TABLE 5 - HOUSING NEEDS ASSESSMENT DEMOGRAPHICS

Demographics	Base Year: 2010	Most Recent Year: 2017	% Change
Population	59,943	64,752	7%
Households	21,657	22,231	2%
Median Income	\$61,207	\$65,421	6%

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

TABLE 6 - TOTAL HOUSEHOLDS TABLE

TYPE OF HOUSEHOLD	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households *	4,760	2,825	3,420	2,240	8,380
Small Family Households *	695	860	1,225	840	4,190
Large Family Households *	125	100	140	95	390

Household contains at least one person 62-74 years of age	500	390	460	380	1,195
Household contains at least one person age 75 or older	420	370	390	340	330
Households with one or more children 18 years old or younger *	215	348	549	250	610
*the highest income category for these family types in >80% HAMFI.					
Data from 2010 Census					

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

The 2010 Census indicates that single person households constitute over 31%, or 6,773 out of the 21,657 households in the City of Santa Cruz. This percentage is over a 2% higher than that reported in the 2000 census. This increase is consistent with the national trend. According to the latest Current Population Survey from the US Census Bureau, the proportion of Americans who live alone has grown steadily since the 1920s, increasing from roughly 5% then to 27% in 2013.

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

Most people who live alone in the City are women (53%). A notable difference between men and women who live alone is in their age. Over 35% of women who live alone are 65 years or older compared with about 8% of the men who live alone and are 65 and older. The median income of a single person household in the City of Santa Cruz is about \$68,600. With the average cost of a studio or one bedroom apartment being about \$1,600 and \$2,000 respectively, even at the low end of these rents, the average single person household might spend more than 30% of their income on housing. Single person households need more affordable housing options. To provide this, the City might encourage more small rental unit developments be built in the City.

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

Disabled Persons: According to the U.S. Census Bureau and American Community Survey (ACS) 5-Year Estimates, between 2014-2018,, about 3,800 persons or 6% of persons 5 years of age or older in the City of Santa Cruz has a disability. In an attempt to capture a variety of characteristics that encompass the definition of disability, the ACS identifies serious difficulty with four basic areas of functioning – hearing, vision, cognition, and ambulation. These functional limitations are supplemented by questions about difficulties with selected activities from the Katz Activities of Daily Living (ADL) and Lawton Instrumental Activities of Daily Living (IADL) scales, namely difficulty bathing and dressing, and difficulty performing errands such as shopping.

Overall, the ACS attempts to capture six aspects of disability (hearing, vision, cognitive, ambulatory, self-care, and independent living), which can be used together to create an overall disability measure, or independently to identify populations with specific disability types. Generally speaking ambulatory, self-care, and independent living difficulties may generate a need for special housing provisions.

Victims of Domestic Violence:

The 2017 Santa Cruz County Community Assessment Project Survey indicated that about 5.9% of residents in Santa Cruz County have a family member or friend that experienced domestic abuse in the prior year. The report states that this shows a decline of 43% from the 2011 results (10.4%). The City has a Commission for the Prevention of Violence Against Women with a vision to end sexual assault, sexual harassment, and domestic violence in the City of Santa Cruz through prevention, programs, and public policy. Their mission is to collaborate with local stakeholder partners and law enforcement to ensure best practices to respond to and prosecute violent crimes against women. The City helps support Walnut Avenue Women’s Center and the Women’s Crisis Support-Defensa de Mujeres which provide assistance to this population.

National studies have shown that family violence, whether in the past or present, is a common factor among a high percentage of homeless families and single women. Based upon the 2019 Applied Research (ASR) Homeless Survey for the County, family and domestic violence is one of the top 5 primary causes of homelessness (most recently in 2019, 9% of respondents cited family and domestic violence as their primary cause of homelessness). Five percent (5%) of survey respondents reported currently experiencing domestic violence or abuse, similar to the proportion reported in 2017 (6%). Thirty-two percent (32%) of respondents reported experiencing domestic violence or abuse in the past, down from 39% in 2017. It is estimated that countywide there are about 108 homeless adults and children who have suffered from domestic violence. Based on the proportion of homeless persons residing in the City, it can be deduced that about 54 of these adults and children are in the City of Santa Cruz. These numbers are likely to be significantly undercounted. Data regarding domestic violence among or toward homeless people is difficult to gather because people often are afraid, or do not want to answer questions about family violence.

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

TABLE 7 – HOUSING PROBLEMS TABLE

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

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

TABLE 8 – HOUSING PROBLEMS 2

NUMBER OF HOUSING PROBLEMS / ISSUES	NUMBER OF HOUSEHOLDS BY PERCENT AMI									
	RENTER					OWNER				
	0-30%	>30-50%	>50-80%	>80-100%	Total	0-30%	>30-50%	>50-80%	>80-100%	Total
Having 1 or more of four housing problems*	3,420	1,620	1,430	625	7,095	660	545	510	365	2,080
Having none of four housing problems*	350	335	630	545	1,860	105	275	600	580	1,560
Household has negative income, but none of the other housing problems*	460	0	0	0	460	40	0	0	0	40

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

3. Cost Burden > 30%

TABLE 9 – COST BURDEN > 30%

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

4. Cost Burden > 50%

TABLE 10 – COST BURDEN > 50%

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

5. Crowding (More than one person per room)

TABLE 11 – CROWDING INFORMATION – 1/2

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

TABLE 12 – CROWDING INFORMATION – 2/2

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

What are the most common housing problems?

Cost of housing is by far the largest and most critical problem facing the Santa Cruz community. The National Association of Home Builders (NAHB) consistently ranks Santa Cruz within the five least affordable places to buy a home in the United States. As a result only 47% of households in the City of Santa Cruz own their own home versus a state wide average of 55% and a national average of 65%. Even though approximately 53% of households in Santa Cruz are renters, it is equally difficult for renters to afford a home in Santa Cruz. According to the July 1, 2019 “Comprehensive Housing Market Analysis Santa Cruz-Watsonville, California” prepared by the U.S. Department of Housing and Urban Development (HUD), the average rent in Santa Cruz-Watsonville area is \$2,348 (as per data from the 2017 American Community Survey). American Fact Finder (affiliated with the United States Census Bureau) shows that approximately 53% of renters in Santa Cruz County pay 35% or more of their income in rent every year (as of 2017).

Almost 67% of renters (7,289) spend more than 30% of their household income on housing. Although the number is lower for home owners, over 32% spend over 30% of their incomes on housing. Families who pay more than 30 percent of their income for housing are considered to be cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. This 30% demarcation is the standard typically used when defining what is considered affordable for a household to pay for housing.

The City is also faced with an aging housing stock and how best to maintain it. Approximately 53% of the City’s housing was built over 50 years ago. Nationally, 38% of the housing units in the U.S., an age at which substantial rehabilitation is often needed. Despite the age of the City’s housing, according to the US census less than 1% of renter and owner households are substandard or lacking complete plumbing facilities. Additionally, only 2.8% of households (615) experienced over-crowded conditions defined as 1.01 persons per room, and only 2.1% of households experience (463) severe overcrowding defined as more than 1.50 persons per room. Overcrowding does not appear to be a major issue in the City.

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

The greatest cost burden falls for extremely low-income residents. According to the 2012-2016 ACS, it is estimated that approximately 23% of all households in the City of

Santa Cruz are extremely low-income. Of these households, 71% spend over 50% of their household income on housing and 80% spend over 30% on housing. Renters are more burdened than homeowners where 58% of all renters spend over 30% of their household income on housing versus 31% of all homeowners. This trend reverses with the elderly. Almost 350 low income elderly homeowners are cost burdened by spending more than 30% of their household income on housing versus about 250 elderly renters. Elderly homeowners make up 38% of all low income homeowners that are cost burdened by housing.

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

There are 5,035 extremely low-income households (incomes at 30% AMI or less) living in the Santa Cruz. About 18% of these extremely low income households have one or more children 5 years old or younger. The high incidence of cost burden among extremely low-income households compared to other income groups puts these households at special risk for homelessness. Often one unfortunate circumstance, such as job loss or an unexpected car repair will cause these households to miss rent or mortgage payments, increasing the likelihood of homelessness.

Single-parent households, particularly female-headed families with children, often require special consideration and assistance because of their greater need for affordable housing and accessible day care, health care, and other supportive services. Female-headed families with children are a particularly vulnerable group because they must balance the needs of their children with work responsibilities, often while earning limited incomes. About 34% of families with one or more persons under 18 years old are headed by a single parent. Over 70% of single parent households are headed by females. About 36% of single female-headed families with children 18 years or under had incomes below the poverty level. This increases to 56% for single female-headed families with children under 5 years old.

Formerly homeless households that have been receiving on-going assistance often risk losing their housing once assistance has ended. Since the City is able only to provide limited, one-time rapid rehousing assistance under the City's Security Deposit Program, households receiving this help do not experience a drop in resources due to this program. The Security Deposit assistance provided by the City remains in place as long as they live in the unit.

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

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

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

Discussion

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

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

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

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

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

Introduction: Disproportionally Greater Housing Need

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

A disproportionately greater need exists when the members of racial or ethnic group at an income level experience housing problems at a greater rate (10 percentage points or more) than the income level as a whole. For example, assume that 59% of all low-income households within a jurisdiction have a housing problem and 70% of low-income Hispanic households have a housing problem. In this case, low income Hispanic households have a disproportionately greater need. Although the purpose of the following tables is to analyze the relative level of need for each race and ethnic category, the data also provide information for the jurisdiction as a whole that can be useful in describing overall need.

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

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,835	475	485
White	2,510	355	280
Black / African American	65	0	0
Asian	330	60	115
American Indian, Alaska Native	40	0	0
Pacific Islander	0	0	0
Hispanic	740	50	29

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

TABLE 14 - DISPROPORTIONALLY GREATER NEED 30 - 50% AMI

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,090	500	0
White	1,360	445	0
Black / African American	95	0	0
Asian	170	10	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	425	50	0

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

TABLE 15 - DISPROPORTIONALLY GREATER NEED 50 - 80% AMI

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,035	1,090	0
White	1,520	845	0
Black / African American	95	10	0
Asian	10	19	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	10	0
Hispanic	400	160	0

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

TABLE 16 - DISPROPORTIONALLY GREATER NEED 80 - 100% AMI

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	880	1,095	0
White	680	885	0
Black / African American	15	0	0

Asian	45	0	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	110	185	0

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

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

In the City of Santa Cruz, there are no groups that experience disproportionate needs at any earning levels. White household make up about 75% of the population while Hispanic households make up another 33%. No group in any earnings bracket experiences a disproportionate need (a 10% higher level than the population would indicate).

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)

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

Introduction: Severe Disproportionally Greater Housing Need

Tables 17-20 below reveal disproportionately greater need for **severe** housing problems by household race or ethnicity. The difference between the tables shown below and those in the proceeding section is the severity of the problems in two of the four categories.

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

TABLE 17 – SEVERE HOUSING PROBLEMS 0 - 30% AMI

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,345	965	485
White	2,175	685	280
Black / African American	45	20	0
Asian	290	105	115
American Indian, Alaska Native	40	0	0
Pacific Islander	0	0	0
Hispanic	660	125	29

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

TABLE 18 – SEVERE HOUSING PROBLEMS 30 - 50% AMI

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,430	1,165	0
White	940	865	0
Black / African American	40	55	0
Asian	140	40	0

American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	275	195	0

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

TABLE 19 – SEVERE HOUSING PROBLEMS 50 - 80% AMI

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	945	2,175	0
White	650	1,710	0
Black / African American	20	90	0
Asian	0	24	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	10	0
Hispanic	275	285	0

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

TABLE 20 – SEVERE HOUSING PROBLEMS 80 - 100% AMI

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	270	1,700	0
White	205	1,355	0
Black / African American	15	0	0
Asian	15	30	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	35	255	0

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

Discussion: Severe Disproportionally Greater Housing Need

In the City of Santa Cruz, there are no groups that experience disproportionate needs at any earning levels. White household make up about 75% of the population while Hispanic households make up another 33%. No group in any earnings bracket experiences a disproportionate need (a 10% higher level than the population would indicate).

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

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

Introduction:

Unlike the previous sections on disproportionate need, Table 21 only identifies the extent of housing cost burden by race or ethnicity. As previously noted, a household housing cost burden occurs when a household spends more than 30% of its gross income on housing expenses. In addition to mortgages or rents, these housing expenses include utilities and for homeowners insurance and property taxes.

TABLE 21 – GREATER NEED: HOUSING COST BURDENS AMI

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	10,740	4,425	5,865	485
White	8,640	3,300	4,125	280
Black / African American	70	180	175	0
Asian	530	175	465	115
American Indian, Alaska Native	10	0	40	0
Pacific Islander	10	0	0	0
Hispanic	1,245	700	890	29

Data Source: 2011-2015 CHAS

The fact that almost 50% of City of Santa Cruz households had a housing cost burden (according to 2015 CHAS data) speaks volumes about the critical affordable housing need facing the City of Santa Cruz. Although it is true that the largest groups facing these challenges are White households (72%) are included in this category, followed by Hispanic households (15%), this makes sense as they are also the largest groups. It is fair to say that all race and ethnic groups have a crucial need for affordable housing.

When looking at households that spend over 50% of their household income on housing costs, White households stand out. About one-quarter of all households in the City of Santa Cruz experienced a severe housing cost burden

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

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

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

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

In addition to the need for affordable housing, many Hispanic residents live in neighborhoods with higher crime rate and greater safety concerns. Through surveys completed for the Consolidated Plan these areas indicate residents have indicated a need for increased lighting. In addition, residents also noted that Parks facilities could use improvements. In terms of community services, they also expressed an on-going need for youth programs.

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

Hispanics represent the largest minority population in the City of Santa Cruz (34%). It is important to note that the Hispanic Population is generally scattered throughout the City. That said, the highest concentration of Hispanic population are found in four areas: (1) the Beach Flats neighborhood; (2) in the Downtown/Pacific Avenue south of Cathcart Street area; (3) in Seabright Neighborhood between Seabright Avenue and Clinton, Owen, and Murray Streets; and (4) the neighborhood west of Ocean Street and north of Water Street. The Beach/South of Laurel and Lower Ocean Neighborhood Revitalization Strategy Area (NRSA) includes the two block groups with the two highest concentrations of Hispanic residents plus Lower Ocean Street neighborhood.

NA-35 Public Housing – 91.205(b)

Introduction

Public housing programs within Santa Cruz County are managed by the Housing Authority of the County of Santa Cruz County (“the HA”). The City retains no control over their programs or housing units. A representative of the City sits on the 7-person HA Board of Commissioners. The HA owns 234 public housing units within the County of Santa Cruz, including 32 units within the City. It also offers the Housing Choice Voucher Program (HCV) (formerly known as Section 8) to City residents. Tenant-based HCV provide a monthly subsidy to low-income tenants renting market-rate units. About 25% of the County’s 5,074 active HCV vouchers are currently used in occupied units within the City of Santa Cruz.

Tables 22-25 below show the number of public housing units and housing choice vouchers used in the County of Santa Cruz and the characteristics of tenants using these vouchers. The HA does not provide separate data at a City level in its reports to HUD. Table 22-25 includes data provided by the HA.

TABLE 22 - PUBLIC HOUSING BY PROGRAM TYPE

CATEGORY	NUMBER OF UNITS BY PUBLIC HOUSING AND HOUSING CHOICE VOUCHER PROGRAM TYPE								
	Certificate	Mod-Rehab	Public Housing	VOUCHER PROGRAMS			SPECIAL PURPOSE VOUCHER		
				Total	Project based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
Number of Vouchers	0	52	234	5074	307	4,198	352	218	177

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

TABLE 23 – CHARACTERISTICS OF PUBLIC HOUSING RESIDENTS BY PROGRAM TYPE

CATEGORY	PROGRAM TYPE							
	Certificate	Mod-Rehab	Public Housing	VOUCHER PROGRAMS			SPECIAL PURPOSE VOUCHER	
				Total	Project based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income (\$)	0	\$15,645	\$30,454	\$21,558	\$18578	\$21,768	\$20,426	\$19,460
Average length of stay	0						3	7
Average Household size	0	1	3	2	2	2	1	3
# Homeless at admission	0	11	2	502	66	436	97	14
# of Elderly Program Participants (>62)	0	17	59	1,476	179	1,297	137	8
# of Disabled Families	0	25	55	1,844	139	1,705	146	27
# of Families requesting accessibility features	0	51	226	4,252	39	3,993	51	77

# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

TABLE 24 – RACE OF PUBLIC HOUSING RESIDENTS BY PROGRAM TYPE

RACE CATEGORY	PROGRAM TYPE								
	Certificate	Mod-Rehab	Public Housing	VOUCHER PROGRAMS			SPECIAL PURPOSE VOUCHER		
				Total	Project based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
White	0	50	208	4,207	268	3,939	227	110	118
Black/African American	0	0	7	145	9	136	17	1	4
Asian	0	0	5	51	7	44	0	1	3
American Indian/Alaska Native	0	0	0	70	14	56	4	3	1
Pacific Islander	0	0	0	0	0	0	0	0	0
Other	0	0	0	13	0	13	7	0	1

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

TABLE 25 – ETHNICITY OF PUBLIC HOUSING RESIDENTS BY PROGRAM TYPE

RACE CATEGORY	PROGRAM TYPE								
	Certificate	Mod-Rehab	Public Housing	VOUCHER PROGRAMS			SPECIAL PURPOSE VOUCHER		
				Total	Project based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
Hispanic	0	23	180	2,432	128	2,304	44	56	42
Not Hispanic	0	27	40	2,034	166	1,868	211	5	85

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

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

The HA waiting lists for public housing and Housing Choice Vouchers stand at 1,603 and 12,706 households respectively. The waiting list for vouchers has been closed since December 2018.

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

- 634 are households with at least one disabled member.
- 523 have an elderly head of household.
- 1,334 are white, 93 are Black, 64 are Asian/Pacific Islander, 49 are American Indian, 26 are multiple races and 37 are unknown.
- 1,003 are Hispanic.
- Most were looking for a one- (654) or two-(577) bedroom units.

In partnership with the County of Santa Cruz, the 180/2020 Campaign, and Housing Matters, a local non-profit, the HA has a limited local preference for disabled and medically vulnerable homeless persons. Currently, a maximum of 150 households may receive the preference.

In addition, the HA has a partnership with HUD and the U.S. Department of Veterans Affairs to implement HUD Veterans Affairs Supportive Housing (HUD VASH) vouchers to help end veteran homelessness through permanent supportive housing. Currently, a maximum of 352 households may use these vouchers.

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

Every two years in January, the County of Santa Cruz CoC conducts a comprehensive point-in-time (PIT) homeless count and needs assessment survey. The most recent biannual homeless census (January 2019) showed a countywide decrease of 4% in the PIT countywide homeless population count going from 2,249 in 2017 to 2,167 homeless persons in 2019. For the City of Santa Cruz alone, there was a very slight decrease of less than 1% in the 2019 PIT count going from 1,204 in 2017 to 1,197 homeless persons in 2019. Thus, while progress has been made, the overall homeless population has not decreased appreciably.

On the other hand, the 2019 PIT count indicated that very significant progress has been made in addressing homelessness among two key subpopulations: chronically homeless and Veterans. According to the data, the chronically homeless individual population decreased 33% to 354 people counted on one night, down from the 525 individuals in 2017. (HUD defines “chronically homeless” as a disabled individual who has been homeless for at least one year or 4 times in the past 3 years.) Likewise the Veteran homeless population decreased 36% to 151 people on one night, down from the 236 individuals in 2017.

Lack of affordable housing is a critical barrier to ending chronic homelessness. Santa Cruz County has one of the most expensive rental housing markets in the nation making it extremely difficult to find affordable housing; moreover, only 444 existing beds of permanent supportive housing are set aside for chronically homeless persons. Seventy-eight percent of the County homeless population, or 1,700 people, remain unsheltered (sleeping on the streets, in parks, in camps, in vehicles, or in other places unfit for human habitation. This is one of the highest unsheltered rates in the nation and it includes 278 chronically homeless individuals without access to appropriate housing. Clearly, housing the many visible, chronically homeless persons in the City remains a huge challenge.

The 2019 PIT study also included a random survey, consisting of one-on-one interviews with 399 sheltered and unsheltered homeless people. This survey revealed varied homeless population needs. As detailed by the homeless survey, 74% of respondents were living in Santa Cruz County when they became homeless, 39% had at least one disabling condition, such as serious mental illness or physical illness, 63% received some form of government assistance, and 10% were homeless as a direct result of domestic violence. About 67% of the homeless people were males, 33% females, and less than 1% transgender. Approximately 23% of all homeless people were in families with at least one child under the age of 18, and 29% were unaccompanied youth or transition-age youth. Demographically, 67% of survey respondents identified as White/Caucasian, 33% Hispanic/Latinx, and 9% Black/African American.

As to the cause of homelessness, 2019 survey respondents (as did respondents in all previous years) most frequently cited loss of job as their primary cause of homelessness; this cause was

named in approximately 26% of the responses. Other common causes of homelessness were eviction (12%), alcohol or drug use (13%), landlord raised rent (10%), family or domestic violence (10%), and divorce/separation/breakup (9%).

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

Table NA-40.1 Point-in-Time Count Data and Estimates of Entries, Exits, and Ave. Days Homeless

Group	Total Homeless PIT	Estimate Entering Homelessness each year	Estimate Exiting Homelessness each year	Estimate Ave. # of Days Person Experiencing Homelessness
Homeless Individuals (Not Chronically Homeless)	1,346	808	128	156
Chronically Homeless Individuals & Families	403	72	85	365+
Families With Children (Not Chronically Homeless)	354	56	63	156
Veterans & Their Families	242	26	51	156
Unaccompanied Youth	51	1	8	156

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Group	Total Homeless	Entering	Exiting
Chronically Homeless Individuals & Families	989	435	Not Available
Families With Children	165	73	Not Available
Veterans & Their Families	343	158	Not Available
Unaccompanied Youth	814	358	Not Available

The total homeless PIT numbers in the chart above come directly from the 2019 PIT count covering the entire county. The estimates of persons entering homelessness and exiting homelessness are extrapolated from the Santa Cruz County CoC 2019-2020 System Performance Measures Report (also covering the entire county), which is limited to HMIS data (and thus misses entries and exits from programs that do not use HMIS). The estimates of average number of days homeless are also extrapolated from the 2019-2020 System Performance Measures Report, except that the chronically homeless estimate is taken from the 2019 PIT count.

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

FAMILIES WITH CHILDREN: The 2019 PIT count found 122 homeless families in Santa Cruz County, comprising 419 total adults and children. While the number of families decreased slightly, from 129 to 122, the number of family members increased by 4% since 2017. Slightly more than half (53%) of families were living unsheltered, down from 2017 (68%).

The 122 families included 249 children under the age of 18. The risk of homelessness is highest among families with children under the age of 6. Children in families experiencing homelessness have an increased incidence of illness and are more likely to have emotional and behavioral problems than children with consistent living accommodations. A single female heads the majority of families.

The most frequently reported cause of homelessness among families with children was eviction (26%), similar to 2017 (30%). 22% percent reported an argument with family member, 15% reported divorce, 11% reported job loss, 7% reported alcohol or drug use.

Families reported suffering health conditions at lower rates than their non-family counterparts. The most frequent health condition suffered by survey respondents in families, and only one where it was greater than non-families, was psychiatric or emotional conditions, where one third of family respondents indicated they were suffering such conditions. Twenty-two percent (22%) reported PTSD, 19% reported chronic health problems, 11% reported physical disability, 7% reported drug or alcohol use, and 4% reported a traumatic brain injury.

The number of individuals in families with children experiencing homelessness connected to any form of government assistance was similar to non-family individuals, 62% compared to 65% of. Slightly less than half (48%) of individuals in families experiencing homelessness with children reported receiving food stamps. Thirty-nine percent (39%) reported receiving CalWORKS, 13% reported using Social Security, and 4% reported receiving Disability.

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

VETERANS: The 2019 PIT count found 151 homeless Veterans in Santa Cruz County. 85% of those counted were living unsheltered. The overall number of veterans represents a decrease of 36% since 2017, though it is very similar to 2015. The percentage of unsheltered veterans, however, increased to 15% from 8% in 2017. The number of female veterans experiencing homelessness continues to increase and was 18% in 2019. Homeless Veterans and their families with children totaled 242 persons. This represents 11% of the total population experiencing homelessness.

The most frequently cited causes of homelessness among veterans were job loss and a rent increase, affecting 34% of the veterans experiencing homelessness. Eviction was next at 25%, followed by substance abuse (16%) and illness/medical problem (9%).

Forty-five percent of veteran respondents reported having one or more disabling conditions, compared to 39% of non-veteran respondents. Overall, the number of veterans connected to any form of government assistance was similar to nonveteran respondents: 67% compared to 63%, respectively. The most frequently used benefit was Food Stamps (33%), followed by VA and Social Security benefits (17%), Disability benefits (13%), and CalWORKS (10%).

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

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

Data on the race and ethnicity of persons experiencing homelessness is derived from the random survey with 399 sheltered and unsheltered homeless people that accompanied the 2019 PIT count. This survey revealed the following facts regarding the race and ethnicity of the Santa Cruz County homeless population:

- RACE: 67% of survey respondents identified as White, 14% Multi-race, 10% American Indian or Alaska Native, 8% Black/African American, less than 1% Native Hawaiian or Pacific Islander, and less than 1% Asian.
- ETHNICITY: 67% of survey respondents identified as non-Hispanic, while 33% identified as Hispanic/Latinx.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

As mentioned above, 78% of the County homeless population, or 1,700 people, remain unsheltered (sleeping on the streets, in parks, in camps, in vehicles, or in other places unfit for human habitation. This is one of the highest unsheltered rates in the nation according to HUD's 2019 Annual Homeless Assessment Report (AHAR) to Congress, and it includes 278 chronically homeless individuals without access to appropriate housing. Clearly, housing the unsheltered, often chronically homeless persons in the city and county remains a huge challenge.

Of the total homeless individuals, 1,197 were counted in the City of Santa Cruz. A slightly lower percentage of these are sheltered (74%), totaling 865 unsheltered persons. This slightly lower rate is likely attributable to the City being home to the majority of homeless shelter programs and beds in the County.

Persons in families represented only 19% of the County homeless population yet they accounted for 42% of the sheltered population. Unaccompanied youth under 18 totaled 51 persons, of whom 51% were unsheltered. On the other hand, transition-age youth (TAY) ages 18-24 totaled 569 persons, of whom a full 95% were unsheltered.

Discussion:

In the past five years, many community members have worked collaboratively and very hard to reduce homelessness and to address the needs our community members experiencing homelessness. Key successes have included creation of the *All In* strategic plan, the considerable expansion of homeless-targeted housing and emergency service programs around the City and County, an increase in City and County staff capacity to tackle the problem, the implementation of the Smart Path CES, the launch of the local YHDP initiative to address youth and young adult homelessness, and noteworthy success since 2017 in reducing chronic homelessness countywide by 33%, reducing Veteran homelessness by 36%, and reducing unaccompanied youth under 18 homelessness by 69%.

Despite the successes to date, the current crisis in unsheltered homelessness and continued high rates of overall homelessness among different subpopulations are clear signs that the problem persists and that a great deal more effort is needed to prevent and eventually end homelessness in our community. Important current and future challenges shown by the above needs analysis are to address the current crisis of unsheltered homelessness among all subpopulations by meeting immediate emergency needs and to create new pathways out of homelessness by increasing the number and diversity of permanent housing opportunities, including affordable housing, permanent supportive housing, and creative models, such as tiny homes.

Finally, we are challenged to reinvent our homelessness crisis response system to become much more effective at preventing and reducing homelessness within the existing resource limitations. Toward this end, the County, with City participation, has retained the homelessness consulting group, Focus Strategies, to conduct thorough assessment and develop recommendations and an action plan for improving system performance. While the assessment is not yet finished, the recommendations will certainly include expanding improving street outreach programs, adding a countywide diversion/problem-solving program, transforming CES practices, converting emergency shelters into true low barrier navigation centers with a focus on housing placement, and strengthening our emphasis on evidence-informed practices, such as Housing First and Harm Reduction.

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

Introduction:

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

Describe the characteristics of special needs populations in your community:

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

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

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

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

Victims of Domestic Violence: As reported in the 2017 Santa Cruz County Community Assessment Project (CAP), the rate of domestic violence calls has remained the same in Santa Cruz County and decreased in California 2014. In the County calls remained the same at 3.4 per 1,000 residents in 2014 to

2016. In the area including the City of Santa Cruz, 5.7% of CAP survey respondents reported having friends or family members who have experienced domestic violence in the last year. However, the rate of domestic violence is believed to be an underestimate because many incidents of domestic violence go unreported.

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

Persons with Drug/Alcohol Addictions: A 2015 Santa Cruz County Health Publication noted that in Santa Cruz County, a significantly larger percentage of adults (22.7%) reported needing help for emotional/ mental health problems or use of alcohol or drugs, compared to the entire state of California (15.8%). In 2019 the Homeless Census and Survey found that 30% of respondents self-reported alcohol and drug use as affecting housing and/or employment.

City staff, service providers, and neighborhood leaders agree that almost all low income and special needs populations in the City of Santa Cruz have and will continue to have a greater need for affordable rental units than are available. Low income and special needs renters in the City often compete with students and Silicon Valley commuters when seeking rentals, many of whom receive parental help, guarantees or roommates are often in the position to afford to pay more per month in rent. The post 2008 recession exacerbated this situation by driving rents even higher when new homeowners purchased many available rentals as single family dwellings resulting in increased demand for rentals and a steep rise in market rents. Additionally the increase in student admission at UC Santa Cruz also impact the rental market greatly as many students are not able to be housed on campus and thus must enter the City rental market. Many special needs populations also need housing with supportive services and, ideally, housing near public transit. Persons with mental illness, in particular, do best with onsite counselors. In order to meet these additional needs, the already limited pool of rental units is further reduced. Most low income and special needs populations in the City need some kind of subsidy or help to be able to live in the City.

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

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

As reported in the 2019 California Department of Public Health –County Health Status Profiles,” newly diagnosed cases of AIDS, which are attributed retroactively, have fluctuated in Santa Cruz County over the past seven years between 2014-2016 there was a reported 492 cases. As of 2017 the number of cases has jumped to 526 reported cases in Santa Cruz County.

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

Describe the jurisdiction’s need for Public Facilities:

City of Santa Cruz has a large number of nonprofit organizations, most of which have facilities and facility needs. It is difficult to predict exactly what and when changes or additions to these non-profit community facilities will be needed. City staff typically works individually with non-profit organizations as the need arises. Ultimately it is best if improvements can be planned well in advance but changes are often a result of events outside of the non-profit organization’s control. For example, something may happen to a facility that forces changes to be made sooner than expected. Or new government program such as the Affordable Care Act may be developed that creates new demands for different types of services. The intent of the 2020 Consolidated Plan is to provide the flexibility to fund non-profit facility improvements when the need and/or the opportunity arises.

The Consolidated Plan Community Survey (Survey), which received about 980 responses, indicated that the first priority for community facilities is park facilities (23%) followed by community health centers (20%), adult education centers and job training (14%), day care centers (14%), and public libraries (13%).

For park facilities, the City’s Department of Parks and Recreation has developed the Parks Master Plan 2030 that identified needs through an extensive public process. Two of the key goals in the plan are to improve energy efficiency and accessibility in all facilities as well as to accommodate new and emerging trends and satisfy unmet needs. At the present, the Plan recommends continued improvements of the Louden Nelson Community Center, Depot Park, and the Beach Flats Park which are all located in the City’s NRSA. .

The City is also proposing to build a new main library in the downtown area which will be a mixed use and affordable housing project. The primary site being considered is within the NRSA.

How were these needs determined?

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

- Consolidated Plan Community Survey (2019-2020)
- Consultations with Non-Profit community service organizations.
- Consultations with other City departments.
- City of Santa Cruz Capital Improvement Plan and Parks Master Plan 2030, both of which have received significant community input.

Describe the jurisdiction’s need for Public Improvements:

Similar to public facilities, many public improvements (such as streets, drainage, water/sewer infrastructure) are aging and require upgrading to meet the increased needs in the community. These needs are identified in the City’s Capital Improvement Program (CIP). CDBG funds have been

used in the past for gap funding for CIP infrastructure improvement projects that serve residents in low income areas of the City. CDBG funds can provide an important source of gap funding that may mean the difference between whether a project can be completed or not.

Through consultations other City departments and the Consolidated Plan Community Survey two priority neighborhood infrastructure needs have been identified. The first is the need for infrastructure improvements that enhance security such as lighting in darker pedestrian active areas, especially in high crime sections of the City.. The second is the on-going need for sidewalk improvements including installation of accessible curb ramps at intersections.

How were these needs determined?

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

- Consolidated Plan Community Survey (2019-2020)
- Consultations with other City Departments.
- City of Santa Cruz Capital Improvement Plan.

Describe the jurisdiction's need for Public Services:

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

In 2016/17 the City expended to fund allocation methodology and partnered with the County and other jurisdictions to initiate the new Collective of Results and Evidence-Based (CORE) Investments approach. CORE's county-wide competitive process was used to evaluate applicants and recommend funding for a three year cycle (FY 2018 through 2020). Later this was extended for a fourth year through 2021. Funding allocations for each jurisdiction are based on that jurisdiction's priorities. CDBG funding was not included in the CORE process since funding can only be allocated for one year at a time and the amount of CDBG funding varies from year to year. However, the CDBG and CORE allocations were coordinated since CDBG funding was used to augment CORE funding for priorities identified under the CDBG Consolidated Plan. This includes funding for the City's Community Based Development Organization (CBDO) Nueva Vista Resource Centers which primarily serves the minority Hispanic population in the Beach Flats and Lower Ocean Street neighborhoods, the California Rural Legal Assistance (CRLA) which did not receive any CORE funding; and the City's Teen Center, which also did not receive CORE funding.

Consultations with service providers and other City departments indicate that there is an unending

need for additional supportive services in the City which exceeds available CDBG funds. In addition to youth programs and neighborhood safety, health care access as well as on-going support for the services and community centers in the City's Neighborhood Revitalization Strategy Area (NRSA) were identified.

How were these needs determined?

The broader public service needs are determined through a Community Programs Committee process which includes regular open meetings with non-profit service providers and the public. The Committee itself consists of three elected City Council members. The Consolidated Plan Survey also identified top community service need priorities which included mental health services (35%), anti-crime programs (26%), and health services (11%). Two of these priorities fall under the County of Santa Cruz's jurisdiction (mental health and health services) and anti-crime programs are generally funded through the police department. The next highest priority is youth services (7%), which is represented by the Teen Center which does received CDBG funding.

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

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

California has enacted landmark legislation to prevent childhood lead poisoning. The legislation has established the Childhood Lead Poisoning Prevention Branch (CLPPB) as part of the state government, providing a children's environmental health program with multi-layered solutions to this complex problem. Lead paint hazards are monitored by the California Department of Public Health (CPDH).

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

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

Registered Environmental Health Specialists:

Conduct environmental home inspections to children with high blood lead levels.

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

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

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

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

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

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

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

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

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

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

The Housing Market Analysis includes the following sections:

MA-05: Overview

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

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

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

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

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

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

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

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

MA-50: Needs and Market Analysis Discussion

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

Introduction

According to the US Census (2010- 2018 American Community Survey 5-Year Estimates), between 2010 and 2018, the number of housing units in the City grew by over 637 units (a 3% increase). Although the City continues to predominantly be a single family home community (56% of the City’s housing stock), there has been significant growth through the development of larger rental projects (20 or more units), as well as 2-4 unit projects, some of which could be attributed to the City’s effort to encourage ADU development. This reflects the City’s efforts to encourage higher density developments with smaller, more affordable units and the City’s efforts to encourage ADU development.

In 2019, 41 units were added to the City’s housing stock with the development of the Water Street Apartments. Since 2015, approximately 160 ADUs have been developed adding to the City’s housing stock.

The City of Santa Cruz is also predominantly a renter community with 55% of all housing units in the City of Santa Cruz being occupied by renters. Statistically the majority (65%) of renters live in smaller one to two bedroom units where the majority (62%) of homeowners live in the larger three bedroom units. This difference does not correlate to household size where the average household size of owner occupied housing is 2.54 persons and renter occupied housing is 2.28 persons, but not surprisingly, does to household income. The median household income for a homeowner is almost 2.4 times that of a renter household.

Unless otherwise noted, the source of data for the following tables is the 2010-2018 American Community Surveys 5-Year Estimates Data Profiles.

Table 26 – Residential Properties by Unit Number

Property Type	Number of Units		Percent Change	% of Total Units in 2014
	2010	2018		
1-unit detached structure	13,126	13,296	1%	56%
1-unit, attached structure	2,570	2,257	-14%	11%
2-4 units	2,620	2,967	12%	11%
5-19 units	2,674	2,691	1%	11%
20 or more units	2,271	2,529	10%	10%
Mobile Home, boat, RV, van, etc.	353	511	31%	1%
Total	23,614	24,251	3%	100%

Table 27 – Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	85	1%	1,170	10%
1 bedroom	425	4%	3,755	31%
2 bedrooms	3,090	33%	4,135	34%
3 or more bedrooms	5,855	62%	2,995	25%
<i>Total</i>	9,455	100%	12,055	100%

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

The City has more than 1,400 affordable income restricted rental units that have been assisted with federal, state and/or local funds. Over 35% of these affordable units (490+) are limited to seniors and 7% (104) are targeted for special needs, the majority of which (96%) are for persons with psychiatric disabilities. Special needs housing can be further divided by independent living arrangements with individual apartments and projects where residents do not have separate apartments and the unit count refers to number of beds. Fifty percent of the 104 Special Needs housing units fit into this category. For other un-targeted affordable units, almost 30% of the units are in single room occupancy (SRO) projects. The majority of these (96% or 177 units) are older SROs that suffered damage during the 1989 Loma Prieta earthquake and were rebuilt with State and Red Cross emergency funding assistance.

Approximately 46% of all income restricted units in the City of Santa Cruz are available to very low income households with household incomes at or below 50% of area median incomes (AMI). Most of the remaining affordable units are available to low income households at 80% AMI with 9% being available to moderate income households. Not surprisingly Special Needs housing tend to have a much higher percentage than this average with 97% of units restricted to persons or households at or below 50% AMI. Likewise, multifamily units have a higher percentage (71%) at this income level. This is due to most of these projects being funded by Federal Low Income Housing Tax Credits (LIHTC) or HUD programs, both of which emphasize greater affordability levels. Whereas for SRO projects, only 15% of the affordable units are restricted at or below 50% AMI while the majority of these units are restricted at or below 80% AMI (low income households).

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

In addition to developing affordable housing by providing financial assistance, the City also has an active Inclusionary Housing Program that requires 20% of units to be made affordable to low and moderate income households. Over 110 moderate income ownership units have been created where sales prices are set to be affordable to median income households (100% AMI) but can be purchased by moderate income households with incomes up to 120% AMI. The Inclusionary Program has also produced 130

affordable rental units. Affordability levels for these units tend to be at 80% AMI.

Finally, the City has a Fee Waiver Program for homeowners building accessory dwelling units (ADUs). There are currently about 35 income restricted affordable ADUs. The affordability level is linked to the number of fees that are being waived. Units may either be restricted for very low income or low income households. Because of recent state legislation (2014) requiring homeowners to pay prevailing wages to build an ADU if they receive a fee waiver, it is expected that few if any new affordable units will be created through this program. In an effort to assist in the development of ADUs in the community, the City has partnered again with Habitat for Humanity to create the My House My Home program the assists senior homeowners to build an ADU either to rent or to move into so they can rent the main house on the property. This program strives to help seniors age in place and to provide them with some income. Currently there have been 3 ADUs completed under this program.

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

220 units are anticipated to be lost during the five years covered by this consolidated plan. Two projects (14 units total) were funded through FEMA 403 funding, and the terms of the agreements are coming due, it is possible that the affordability of these units may be able to be extended. The remaining five projects (187 units total) have assorted funding and restrictions sources (CALDAP funds, Red Cross funds, and Tax Credits). Staff does track the expiration of affordability for projects and we actively engage the property owners to offer partnership opportunities with the City in exchange for maintaining and extending the affordability.

The City also expects to lose 19 inclusionary Program units (in three different projects). Hopefully these will be offset by additional inclusionary units, both rental and ownership units.

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

The City has a significant need for affordable housing that extends well beyond what the City currently has or can expect to be able to build within the next five years. Currently, waiting lists for publicly assisted housing is about 6-7 years for a three bedroom apartment and up to 10 years for a one bedroom apartment. Housing Choice Vouchers have a wait period of up to 7-8 years. The waiting list was opened briefly in December 2018 and was then subsequently closed. This was to add more households to the waiting list.

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

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

Describe the need for specific types of housing:

The average household size in the City of Santa Cruz 2.43 persons and almost 32% of the population are householders that live alone. As a result, the greatest housing needs is for smaller one and two bedroom units. Both rental property owners and the Housing Authority for its public housing units have indicated that the greatest demand for both market rate and affordable housing are these smaller units. Affordable rental housing is the greatest need in the City. There is also a great need for permanent supportive housing and “housing first” options for chronically homeless persons.

Discussion

See discussions above.

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

Introduction

The very high cost of housing is the City’s most critical housing issue and creates the most pressing housing need. Data in this section shows that the median home value decreased 12% over the past 6 years, and the median contract rent rose 21% during this same time period. However, the “Comprehensive Housing Market Analysis Santa Cruz-Watsonville, California” (“Comprehensive Analysis”) completed by HUD as of July 1, 2019 shows that as of May 2019, the median home price in Santa Cruz was \$847,000, which is an 11% increase from the base year data, 2009. This report also shows that median contract rent is about \$2,348, approximately a 50% increase from 2009. While incomes have increased, they have not kept pace with housing costs. According to HUD’s Comprehensive Analysis, both the home sales and rental markets are extremely tight, and it is currently very difficult to enter either market (Sales Market has a vacancy rate of 0.1% and the Rental Market has a vacancy rate of 1.75).

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

The tables below use the most recent ACS data from 2015. Though, we can see from the 2019 Comprehensive Analysis cited above that rents and median home value have continued to steadily increase since then.

Table 28 – Cost of Housing

	Base Year: 2009	Most Recent Year: 2015	% Change
Median Home Value	\$751,900	\$659,500	(12%)
Median Contract Rent	\$1,188	\$1,442	21%

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

Table 29 - Rent Paid

Rent Paid	Number	%
Less than \$500	1,000	8.3%
\$500-999	2,100	17.4%
\$1,000-1,499	3,585	29.7%
\$1,500-1,999	3,210	26.6%
\$2,000 or more	2,160	17.9%

Total	12,055	100.0%
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Data Source: 2011-2015 ACS

Table 30 – Housing Affordability

Household Income Level	# Affordable Rental Units	# Affordable Ownership Units	Total # of HH	Shortage or Excess of Affordable Units	Cumulative Shortage
30% HAMFI	690	No Data	5,035	(4,345)	4,345
50% HAMFI	1,970	124	2,775	(681)	5,026
80% HAMFI	5,120	344	3,170	2,294	2,732
100% HAMFI	No Data	488	2,120	(1,632)	4,364
Total	7,780	956	13,200	(4,364)	4,364

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

Data Source: 2011-2015 CHAS& 2012-2016 ACS

Table 31 – Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
HUD Fair Market Rent	\$1,567	\$1,844	\$2,439	\$3,241	\$3,701
High HOME Rent	\$1,414	\$1,516	\$1,822	\$2,096	\$2,319
Low HOME Rent	\$1,073	\$1,150	\$1,381	\$1,595	\$1,780

Data Source: HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

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

As shown in Table 30, approximately 5,000 households earning less than 30% percent of AMI reside in the City; however, according to the HUD data in Table 30, there are only 690 dwelling units affordable to those at this income level, showing a deficiency of over 4,000 units. Similarly, the City has 2,775 households earning between 31 and 50 percent of AMI and only about 2,094 housing units affordable to households at this income level. The cumulative shortage is 5,026 units. Although there are more units affordable to households at 80% AMI level, than there are households at this income level, assuming very low income and extremely low income households are occupying many of these units, the City is still cumulatively short over 2,700 units of providing housing affordable to households at 80% AMI.

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

Given recent trends in the City, it is likely that home values and rents will continue to increase. During the prior recession, Santa Cruz saw a relatively minor dip in rents (5% from 2008-2010) when compared to the rest of the country. Overall, since 2010 median rents have increased by 21% (as per FactFinder which pulled census date from 2010-2017). In the last 4 years (2014-2017) rents have increased by over 5%. Rental housing in the City of Santa Cruz is generally affordable (with the cost burden below 30 percent) to moderate-income households earning 80-120 percent of AMI and higher income households, particularly households that can be accommodated in smaller units.

Home values reacted more strongly to the recession. Prices peaked in 2006 with a median home price of \$752,000. The median home price dropped into the \$550,000 to \$570,000 range from 2009 to 2012 (-26%) but has significantly recovered since then. The median home price has risen to \$847,000 by May 2019 as per the HUD Comprehensive Analysis.

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

The City's Area Median Rents are currently higher than HUD's HOME rents or Fair Market Rents cited in Table 31. HUD Housing Choice Voucher tenants have a difficult time finding housing that will accept Section 8 rents, which are tied to HUD Fair Market Rents. Also service providers have difficulty identifying units for Shelter Plus Care certificate holders. And since housing production has not kept pace with demand, it is expected that this trend will continue. The City's affordable housing strategy has and continues to emphasize producing and preserving affordable housing although this is increasingly more difficult to do with dwindling resources. The City has also partnered with other jurisdictions in the County to create a Landlord Incentive Program that incentivizes landlords to accept Section 8 tenants by guaranteeing additional cost recovery over the security deposit amount in cases where the unit requires repairs not covered by the security deposit.

Discussion

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

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

Introduction

The City of Santa Cruz has a significant number of older homes. About 71% of all housing is over 50 years old and about 30% over 75 years old. Over time the City has implemented a variety of programs to upgrade the quality of housing units in the City, including rehabilitation loan programs, code enforcement, and affordable housing projects such as the Nueva Vista Apartments which replaced a number older substandard residential motels. In 2011 the City initiated a new Residential Rental Housing Inspection Program which requires an annual inspection of all residential rental dwelling units, including single family homes that are being used as a rental. The properties are inspected for compliance with state and local laws involving housing, building and zoning codes and property maintenance.

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

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

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

Table 32 - Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	3,045	32%	6,795	56%
With two selected Conditions	50	1%	610	5%
With three selected Conditions	0	0%	140	1%
With four selected Conditions	0	0%	0	0%
No selected Conditions	6,360	67%	4,510	37%
Total	9,455	100%	12,055	99%

Data Source: 2011-2015 ACS

Table 33 – Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	620	7%	1,730	14%
1980-1999	1,730	18%	2,095	17%
1950-1979	4,200	44%	4,970	41%
Before 1950	2,905	31%	3,255	27%
Total	9,455	100%	12,050	99%

Data Source: 2011-2015 CHAS

Table 34 – Risk of Lead-Based Paint

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	7,105	75%	8,225	68%
Housing Units build before 1980 with children present	850	9%	360	3%

Data Source: 2011-2015 ACS (Total Units), 2011-2015 CHAS (Units with Children present)

Table 35 - Vacancy Rates

Vacancy Rates, 2011-2018								
	2011	2012	2013	2014	2015	2016	2017	2018
RealFacts -Rentals	5%	6%	5%	4%	4%	2%	2%	2%
RealFacts -Ownership	2%	3%	2%	2%	1%	1%	0%	1%

Source: RealFacts, ACS 2011-2018

Vacancy Rates

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

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

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

As shown by the data above, over half (52%) of the City's housing stock does not have any of the selected quality conditions. Among the housing units that do have any of the reported conditions, all but 3% have only one condition, which based on prior analyses, is the high cost of housing compared to the resident's income (cost burden). Notwithstanding this, more than half of the City's housing stock is over 50 years old. Due to the age of the City's housing stock, rehabilitation is often needed to bring the housing up to current standards, particularly in regard to accessibility features for people with disabilities. With many City residents being housing cost-burdened, there is a need for affordable rehabilitation opportunities. However, given funding limitations, the City is not able to provide the more labor intensive single family home rehabilitation program and has instead focused HOME Program rehabilitation efforts on larger rental housing apartment complexes.

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

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

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

Without conducting detailed environmental reviews of the City's housing stock it is difficult to determine the number of households at risk of lead-based paint hazards. It is estimated that over 4,900 units of the City of Santa Cruz's housing stock were built before 1940, when lead based paint was most common. And a total of 12,000 were built before 1979 as lead-based paint was being phased out and eventually banned.

If 90% of the pre-1940 units are at risk of containing lead paint and 80% of the units built between 1940 and 1970 are at risk, then it is estimated that about 14,000 housing units, or almost 59% of the City's housing, may contain lead paint. Since about 50% of housing units are occupied by low income households, then it may be estimated that about 7,000 units with lead based paint are occupied by low income households. The risk is somewhat mitigated in that only about 3% of these units have children present.

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

Introduction

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

Table 36 – Total Number of Units by Program Type

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total Vouchers	Project-based	Tenant-based	Special Purpose Voucher		
			Veterans Affairs Supportive Housing				Family Unification Program	Disabled*	
# of units vouchers available	0	51	234	3,986	42	3,944	103	1,067	885
# of accessible units									

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

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

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

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

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

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

Table 37 - Public Housing Condition

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

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

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

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

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

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

Introduction

The City of Santa Cruz has a long history of countywide collaboration with Santa Cruz County, its cities, and its nonprofit organizations to prevent and end homelessness through the provision of housing and services to homeless people and those at immediate risk of homelessness. As a result of these concerted efforts by many dedicated organizations and persons, a wide range of homeless assistance programs have been developed and implemented to form a coordinated, countywide Continuum of Care (CoC) system, which works to resolve the crisis of homelessness, to house people as quickly as possible, and meet service needs along the way.

Homeless housing facilities within the City of Santa Cruz include a variety of emergency shelters, transitional housing programs, rapid rehousing (RRH) programs, and permanent supportive housing (PSH) programs summarized in the chart below. Homeless-targeted supportive service programs available in the City are extensive include outreach and engagement, warming centers (seasonal), housing location assistance, health services, employment assistance, substance abuse recovery, legal aid, mental health care, Veteran services, youth and transition-age youth (TAY) services, youth host homes, public assistance benefits and referrals, family support and childcare, domestic violence support, personal good storage, personal care/hygiene services, parking programs, and ID assistance.

Table 38 - Facilities and Housing Targeted to Homeless Households

Type of Homeless Person/Household Served	Emergency Shelter Beds		Transitional Housing Beds Current & New (Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds		Current & New	Under Development
Households with Adult(s) and Child(ren)	117			76	
Households with Only Adults	105	110	56	22	
Chronically Homeless Households					
Veterans	12			33	
Unaccompanied Youth			17	2	

Source: 2019 Santa Cruz County Housing Inventory Chart (HIC)

Source Comments: The numbers reported above include only HIC bed inventory with site addresses in the City of Santa Cruz, and in the case of scattered tenant-based RRH and PSH, an extrapolation of the number of beds in the City of Santa Cruz

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

Mainstream services in Santa Cruz County are typically federal and/or state funded and include, but are not limited to Cal Fresh (aka Food Stamps), Medicare, Medi-Cal, Central California Alliance for Health (ACA insurance), State Children’s Health Insurance, Veterans’ benefits, CalWORKS (TANF), General Assistance, Supplemental Security Income (SSI), TAY services, Welfare-to-Work services and Workforce Investment Board Career Centers, mental health services, substance use services, integrated behavioral health service teams, community health clinics, Dientes community dental clinic, HUD Housing Choice Vouchers (Section 8).

All homeless assistance agencies in Santa Cruz County collaborate with and rely in part on the above mainstream service programs to meet important needs of persons experiencing homelessness. This is most often achieved by offering case management and follow-up relating to helping clients to screen for, refer to, apply for, access, and follow-up on any mainstream benefits and services for which they are eligible. Toward this end, homeless assistance agency staff in this relatively small community are trained by and maintain close referral networks with mainstream service providers.

In addition, mainstream providers often conduct direct outreach to homeless assistance agencies and their clients. For example, the HOPES program in downtown Santa Cruz, likes mainstream and homeless assistance providers in a team approach and focuses on justice system-involved and addicted homeless persons. Also, the County MOST team provides forensic ACT outreach and wraparound services to severely mentally ill homeless persons on the streets. Finally, mainstream youth and Veterans services agencies regularly conduct outreach to homeless members of their service populations.

Out stationing or co-location of mainstream benefits and service worker at homeless assistance sites is another strategy used. For example, the Human Services Department outstations a benefits worker at FIT to assist families to receive CalWorks, Medi-Cal, CalFresh, and other benefits. And the County Homeless Persons Health Project Clinic is co-located at Housing Matters shelter and housing campus at 115-A Coral Street in Santa Cruz.

Another key strategy has been for homeless assistance providers to access mainstream funding, such as from Medi-Cal to help fund the services component of their programs. For instance, Encompass Community Services has become a Medi-Cal provider, allowing it to charge for Medicaid-billable services. Moreover, several of our HUD-funded PSH programs, e.g., Shelter Plus Care, MATCH, Nuevo Sol, Housing for Health, and Chronically Homeless PSH Bonus Project, partner with County funded health and behavioral health programs to provide and fund onsite integrated health and social services.

The Community Action Board (CAB) of Santa Cruz County serves as a resource center and a conduit to mainstream services, operating CALL 211 Santa Cruz County. This 24 hour call in service helps people in 170+ languages, from a trained call specialist, finding the health and human services they need such as: food, shelter and homeless services; healthcare /mental health counseling; childcare; disability services; and employment assistance.

Regarding employment, the CoC and City support two homeless-targeted employment programs—the Homeless Garden Project and the Downtown Streets Team—which offer supportive employment environments that often are the first step toward a future of employment. Also homeless assistance agencies partner with the Santa Cruz and Goodwill-Santa Cruz Workforce Career Centers in order to connect persons experiencing homelessness to a broad range of skills education, job training, job search, and employer linkages. Also, CoC agencies collaborate with: (1) Veterans employment programs, including a Goodwill program and VSRI, Inc.; (2) Community Connections, which provides pre-employment, employment, education, community integration and peer support for mental health consumers; (3) Cabrillo College, which provides career education; and (4) Access 2 Employment, which sponsors job fairs and events in Santa Cruz County.

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

Housing Matters: Is the City’s and the County’s largest provider of services for persons experiencing homelessness. Programs located on its Coral Street campus include the following:

- The Paul Lee Loft (PLL) - 30- to 90-day 40 bed emergency shelter.
- Rebele Family Shelter (RFS) - 180-day emergency shelter for 28 households (up to 90 individuals) with children, also providing case management, parenting education, counseling, arts enrichment programs, and after school supportive programs.
- Page Smith Community House (PSCH) - transitional housing and rapid rehousing (RRH) program up to 18 months for an estimated 40 individuals. Also PSCH provides intensive

case management services.

- The Recuperative Care Center (RCC) - serves up to 12 homeless adults through a partnership with HOUSING MATTERS, the County Health Services Agency, and local healthcare providers.
- 180/2020 - a multi-agency initiative to provide the chronically and medically vulnerable homeless with permanent supportive housing.
- CalFresh Employment Training Project - provides intake, assessment, case management, and employment services to homeless clients.
- Hygiene Bay- Temporary shower facilities installed at Housing Matters. Open 10am-2pm, seven days a week
- Youth RRH Program – YHDP-funded RRH program for youth and young adults.

Encompass Community Services (ECS)/River Street Shelter: Encompass has about three dozen programs ranging from Head Start, parenting groups, mental health and substance abuse recovery, and supportive housing. It also operates the River Street Shelter, a 32-bed facility for homeless adults on the Housing Matters campus with a focus on those with mental illness. Encompass also operates the TAY Drop-In Center assists current and former foster, probation placement and homeless youth ages 15-24 in building the skills, self-esteem, and support system. The Drop-In Center is equipped with a cozy living room, kitchen, laundry facility, and computer lab, and offers counseling services, food and clothing donations, as well as a daily hot meal.

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

- 41-bed Shelter Plus Care Program (partnering with the Housing Authority)
- 42-bed scattered site MATCH program (partnering with Front St., Inc.)
- 11-bed Nuevo Sol SRO (partnering with South County Housing).

Downtown Santa Cruz Outreach - Two City-funded full-time Downtown Outreach Workers works with homeless individuals to connect them with resources seven days per week, ten hours per day.

HERO: The Homeless Engagement Resources Officers - links two police officers with the County's **Homeless Outreach, Proactive Engagement Services (HOPES) Team**, to better engage homeless people on the streets and connect them with appropriate behavioral health and other services.

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

Community Action Board Shelter Project - daily hotline with information and referral to shelters and other services. The Project also provides a countywide homeless housing and service resource guide, Voicemail for homeless people, emergency motel vouchers for medical emergencies, and eviction/foreclosure assistance. Also partners with County Office of Education (above) to implement the Youth Homelessness Response Team, providing an integrated services team approach for youth experiencing homelessness.

Salvation Army Laurel Street Shelter - 55-bed emergency shelter prioritizing single women, families with children, and adults with mobility challenges, but is open to all single adults and families. Overnight-only, no day services.

Association of Faith Communities (AFC) – Rotating Faith-Based Community Shelter program sheltering 20 persons per night in different host sites each night. Includes evening meal breakfast, and portable shower. AFC also operates a safe parking program for persons living in vehicles.

Other Population-Specific Shelters – Pagett Center, 12 beds for homeless Veterans; Siena House, 10 beds for pregnant/newly parenting women; Monarch Services, Mariposa House 18 beds for women/children fleeing domestic violence; Jesus, Mary, and Joseph Home, 12 beds families with children and terminally persons.

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

Downtown Streets Team – job training and transitional employment in streets cleanup and community beautification projects.

HUD-Veterans Affairs Supportive Housing Program (VASH) - combines HUD rental assistance for 200 homeless Veterans with case management and clinical services provided by a Veterans Affairs caseworker.

Supportive Services for Veterans Families (SSVF) - prevention and rapid rehousing services programs provided by Housing Matters (above) and the Veterans Resource Center.

Families in Transition (FIT) – operates a series of prevention and RRH programs for families experiencing homelessness, funded by HUD HOME TBRA, HUD CoC, County CHAMPS Program, CalWorks Welfare-to-Work, and the California Bringing Families Home Program.

Resource Center.

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

Introduction

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

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

The Elderly and Frail Elderly Housing can best be described using a continuum of options ranking from independent living situations to nursing homes with intensive support systems. Although specific data on elderly living in nursing, assisted living or other group facilities is not available, the growth of the City's senior population may suggest an increased need for elder facilities and housing. The elderly may also be especially impacted by the increase of housing costs in this area because many live on a fixed income.

Elderly tend to prefer to stay in their own homes as long as possible. If family members are nearby, they can also assist with basic care needs, enabling seniors to remain in their homes longer. However, this is not always possible. Senior Network Services helps match seniors in shared housing arrangements. In addition, the City partners with Habitat for Humanity Monterey Bay in the My House My Home (MHMH) program where Habitat works with a senior homeowner to build an accessory dwelling unit (ADU) on their property to provide either a place for the senior to downsize into or a rental unit to provide the additional supplementary income needed for them to remain in their current home. Almost 70% of senior householders own their home.

The City's Downtown Senior Center at Louden Nelson provides elderly with social network opportunities through a variety of activities such as computer classes, social events, and weekday lunches. The Market Street Senior Center, located in a City owned building at 222 Market Street, also provides activities and programs for seniors. Additionally, home delivery by Meals on Wheels is available. Advocacy, Inc. provides a Long-Term Care Ombudsman Program and the Patients' Rights Advocate Program for seniors and disabled individuals living in residential care facilities. ParaCruz is a senior transportation service.

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

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

- Grace Commons: 13 units of supportive housing operated by the Encompass Community Services.

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

Other Affordable Housing for the physically disabled includes the 36 Redwood Commons project which was designed to be 100% wheel chair accessible has 13 units that are affordable to extremely- and very low- income persons. Priority is given to mobility impaired individuals and their caregivers. In the new Water Street Apartment development, a minimum of 8 units are reserved for disabled persons primarily serving developmental disability individuals.

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

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

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

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

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

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

Health Care: The County Homeless Persons’ Health Project (HPHP) leads implementation of policies and protocols for homeless people leaving hospital care. HPHP’s Project Connect provides frequent users of emergency rooms with intensive services to prevent hospitalization and homelessness. Hospital discharge

planners contact HPHP when a homeless person is hospitalized. HPHP nurses and caseworkers visit and coordinate with all hospitals (and 6 community clinics) to ensure homeless people receive case management and housing upon discharge. For Medi-Cal individuals discharged from a hospital stay, the first step is often a recuperative care program, such as the 12-bed Coral St. recuperative care unit or the medically frail motel program of Community Action Board. HPHP also works with the following providers (among others) to place those who are ready into long-term PH: Housing Authority, Encompass, HPHP housing programs, South County Housing, Santa Cruz AIDS Project, and Abode Housing.

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

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

Under the 2020 Action Plan, the City intends to allocate CDGG fund to improve the Market Street Senior Center including updating the kitchen, improving accessibility and energy efficiency, and doing other needed improvements.

The City also intends to continue its partnership with Habitat for Humanity to build affordable ADUs to assist low income seniors to be able to remain in their homes given added rental income to help with costs and/or the potential ability to downsize into a smaller accessible ADU. Although the primary funding source for the MHMH Program is the City’s Affordable Housing Trust Fund, some HOME Program funds may be used. Habitat for Humanity Monterey Bay is one of the City’s CHDOs.

As in the past, the City will continue providing general funds to nonprofit partners for supportive services. The total annual amount of these funds averages over \$1,000,000. The City will also continue to operate the Downtown Senior Center at Loudon Nelson and the senior lunch program.

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

See responses above.

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

Negative Effects of Public Policies on Affordable Housing and Residential Investment

Lack of Affordable Housing Funding and Cost of Development: Since the dissolution of redevelopment in California, the lack of local redevelopment agency funding continues to hinder the City of Santa Cruz's ability to provide affordable housing in the community. Funding at the State and Federal levels has not been consistent so it is difficult to plan for affordable housing projects in advance. There is also a lack of "first-in" funding available, which makes it difficult to jumpstart affordable housing projects that need acquisition and pre-development funding to keep them going until the project receives entitlements and financing to get into construction. It typically takes 6-7 public and private funding sources to cobble together the financing to make an affordable housing development feasible. With uncertain funding sources and levels and increased housing costs, the City faces significant challenges in providing affordable and decent housing opportunities for its lower and moderate income residents, especially those with extremely low incomes. The situation is exacerbated by state Prevailing Wage and federal Davis Bacon wage requirements, lack of construction labor supply, high barriers to entry for new construction workforce as well as California's environmental review requirements, all of which add to the cost of housing.

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

Zoning, Permit and Processing Procedures: To make affordable housing developments feasible, they typically need increased density to pay for all of the costs associated with the construction, maintenance and operation. Affordable housing has most of the same costs as market-rate housing but the property is getting less rental income so increasing the number of housing units can help the property fill financing gaps. Affordable housing developers must compete with market-rate developers to acquire land that is zoned at a high enough density to make the development feasible. When land that is zoned at higher densities is in short supply, it makes it much more difficult to build and it can add a significant amount of time to the development schedule if an affordable housing project must be re-zoned to move forward with development. The processing time required to obtain approval of development permits is often cited as a contributing factor to the high cost of housing. For some proposed development projects, additional time is needed to complete the environmental review process before an approval can be granted. Unnecessary delays add to the cost of construction by increasing land holding costs and interest payments. However when compared to other local jurisdictions, the City processes entitlements and permits within a reasonable period of time.

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

I

Introduction

The City of Santa Cruz is home to about 5,000 businesses and was recognized by Forbes in 2013 as #6 on the list of “Best Cities for Future Job Growth”. The principal industries of Santa Cruz and the surrounding region are agriculture, tourism, and technology. The University of California, Santa Cruz (UCSC), established in 1965, is located on the northern edge of Santa Cruz. UCSC has a current enrollment of 19,494 students and 4,000 faculty and staff. In addition to being home to UCSC, the city is located within commuting distance of Silicon Valley.

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

Economic Development Market Analysis

Table 39 - Business Activity

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

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

Table 40 - Labor Force

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

Data Source: 2007-2011 ACS

Table 41 – Occupations by Sector

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

Data Source: 2007-2011 ACS

Table 42 - Travel Time

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

Data Source: 2007-2011 ACS

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

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

Data Source: 2007-2011 ACS

Table 44 - Educational Attainment by Age

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

Data Source: 2007-2011 ACS

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

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

Data Source: 2007-2011 ACS

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

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

Describe the workforce and infrastructure needs of the business community:

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

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

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

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

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

INFRASTRUCTURE NEEDS:

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

Public Transportation: Improved public transportation to business locations.

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

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

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

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

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

- **Metro Pacific Station:** Santa Cruz METRO and the City are partnering to redesign the main bus transfer station to create a multi modal regional transit -oriented facility at Pacific Station. In addition to transit center, the project will explore the mix of uses that may be appropriate at this site, with the potential of developing a multi-story building with a variety of compatible uses including at least 100 units of affordable housing, public parking, and a low income health center. If developed in conjunction with a private mixed use project located in the same block, over 1/8 of a mile or about 75% of a three block section of Pacific Avenue will be redeveloped. It is expected that a new Pacific Station will also catalyze other lower Pacific Avenue area development.
- **Abbott Square:** An inviting and interactive space where families and friends can enjoy art installations and can be used as a community gathering space. This plaza is the creative heart of Downtown and a place for the MAH Museum’s dynamic exhibitions and programs.
- **Tannery Arts Center:** Completion of the Tannery’s Performing Arts Center which includes a 200-seat theater, rehearsal/classroom spaces, a restaurant/café, and office space for local non-profit arts groups.
- **Santa Cruz Warriors Stadium:** With the current agreement for use of a temporary stadium ending in 2019, it is possible that a new permanent stadium for the Warriors “D” League team will be built to replace the temporary arena that was installed in 2013. This stadium has and will continue to be utilized for a variety of other spectator sports and community events.
- **Santa Cruz Wharf:** Various elements of the Wharf Master Plan, which was completed in early 2015, may be implemented over the next five years.
- **UCSC:** Increased investment and entrepreneurial activity from University of California at Santa Cruz (UCSC). UCSC has launched a new Center for Entrepreneurship which offers students hands-on experience to bring innovations to the market.
- **Rewriting/Amending Zoning Codes:** The Planning Department is in the process of changing the City’s municipal zoning codes in ways that will facilitate development along the main transportation corridors in the City.
- **Implementation of a Broadband Master Plan:** The City has been working on a Broadband Master Plan as a comprehensive, city-wide policy for the development of the infrastructure that makes the fast, affordable internet access possible. It will continue to explore Gigabit Broadband Network with Cruzio.

Taken together, these projects will make the City a more attractive location for business, catalyze more

development activity, and ultimately generate new business activity and employment opportunity in the growing economic sectors mentioned above.

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

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

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

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

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

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

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

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

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

MA-50 Needs and Market Analysis Discussion

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

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

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

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

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

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

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

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

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

Are there any community assets in these areas/neighborhoods?

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

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

Are there other strategic opportunities in any of these areas?

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

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

Information provided in this section is based upon the latest Federal Communications Commission (FCC) bi-annual coverage report from May 19, 2019. This report shows a marked increase in connectivity to internet and options for City residents compared with the last broadband study conducted by the City of Santa Cruz in 2014. As of 2019, 100% of the City of Santa Cruz across all census tracts has access to broadband services from at least one service provider. The lowest income neighborhoods have broadband connectivity available from the most number of service providers perhaps due to these areas being in more densely populated neighborhoods. With the Pandemic that began in early 2020, this access has become increasingly important as children have needed to rely on virtual learning and parents have needed to work from home (when possible) and supervise their children due to the State's Shelter in Place Order.

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

Broadband services are available throughout the City of Santa Cruz from multiple service providers. The FCC characterizes broadband competition in Santa Cruz as high with the average resident having access to 6-7 providers. Currently, broadband service with a minimum speed of 100 Mbps is available from at least 11 service providers, with the fastest available speeds and the most coverage from AT&T, Comcast, and Spectrum. According to data collected by the FCC, the census tracts within the NRSA have at least 3 service providers providing high speed internet.

Though broadband competition is healthy in Santa Cruz, increasing available internet speeds at a lower cost could still benefit all City Residents. The majority of the City has broadband coverage, while only 35% has fiber connectivity with speeds up to 1000 Mbps, mostly in the downtown area. At this time the higher speed fiber connectivity is only available from 1 service provider, Cruzio. While the NRSA has does have at least 3 service providers providing high speed internet, only a portion has access to this higher speed data. Increased availability and competition amongst service providers with fiber connectivity is still needed throughout the City of Santa Cruz.

<https://broadbandnow.com/California/Santa-Cruz>

<https://docs.fcc.gov/public/attachments/FCC-19-44A1.pdf>

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

The Climate Adaptation Plan Update (CAP Update) was adopted in 2018 by the City of Santa Cruz and covers the period from 2018-2023. In this update to the original 2011 Climate Adaptation Plan, the City outlines impacts to City infrastructure, safety and the economic vitality of the community. The City does face increased natural hazard risks associated with climate change. Among the areas identified in the CAP Update having the most serious risks and being directly associated with climate change, rising sea levels and related impacts were identified as one of the most serious risks to the coastal community. In 2017, vulnerability assessments² were updated by city staff (for the non-coastal impacts) and Central Coast Wetlands Group (CCWG) was contracted to conduct the City's first Sea Level Rise.

Sea Level Rise in turn lends itself towards a greater risk of flooding in Santa Cruz. From the CAP Update "A large portion of the downtown developed urban core is located within the historic flood plain of the San Lorenzo River. In 2000-2001 the U.S. Army Corps of Engineers constructed a series of levee height increases which are designed to protect the City's downtown from flooding and eventually lead to FEMA certification. A future FEMA certification will allow the lifting of the mandatory flood insurance requirements in downtown. During the interim period FEMA has designated downtown in its Flood Zone A-99 which allows continued construction but requires the purchase of flood insurance on all properties with federally insured loans. Following FEMA accreditation that the improved levees can protect the downtown and beach areas from a 100 year flood, the purchase of flood insurance becomes optional for the property owner. The improvements constructed by the U.S. Army Corps of Engineers are part of an overall City planned effort to protect the City from flooding and improve the habitat and environmental value of the San Lorenzo River."

Other risks faced by the City include: drought, flood and earthquakes. In summer 2020, one of the larger wildfires in recent California history broke out in the wild lands directly north east of the City. The University of California, Santa Cruz, was evacuated and several unincorporated areas on the City border were evacuated. Nearly 1,000 residences were scorched by the fire. In addition to adding wild fire as another risk, access to clean water supply is also at risk since the City depends on the San Lorenzo River for at least 45% of its water supply. With the potential for mudslides and debris flow in the river during the winter months, the City is still assessing the damage and the mitigation measures that will be needed.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

In the CAP Update, the City partnered with the American Geophysicist's Union Thriving Earth Exchange and Dr. Juliano Calil to assess social vulnerability to climate change. Dr. Calil worked with the City to compile social vulnerability scores and mapping for census blocks in the City. The social vulnerability scores provide greater insight into appropriate adaptation strategies for those areas based on the drivers of social vulnerability in addition to geography.

A vulnerable area identified in the CAP Update and within the City's NRSA is the Beach Flats area, which is the lowest income census tract area in the City of Santa Cruz. Storm flooding and erosion are two hazards predicted in the socially vulnerable Beach Flats area (which includes the Boardwalk) due to waves overtopping the coastal infrastructure on Beach Road, but impacts are assumed to be managed by current storm water pumps along the San Lorenzo River levee.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

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

SP-05: Overview

SP-10: Geographic Priorities

SP-25: Priority Needs

SP-30: Influence of Market Conditions

SP-35: Anticipated Resources

SP-40: Institutional Delivery Structure

SP-45: Goals

SP-50: Public Housing Accessibility and Involvement

SP-55: Barriers to Affordable Housing

SP-60: Homelessness Strategy

SP-65: Lead-based Paint Hazards

SP-70: Anti-Poverty Strategy

SP-80: Monitoring

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

Geographic Area

Table 46 - Geographic Priority Areas

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

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction

In 2017, the City updated the Beach/South of Laurel and Lower Ocean Street Neighborhood Revitalization Strategy Area (NRSA) as shown on the attached map. The NRSA is one of the areas in the City most subject to crime, calls for service, code enforcement issues and building deficiencies. The NRSA has been priority area for City assistance including CDBG funded projects and programs as well as other City efforts. The Beach Flats neighborhood, which is located within the NRSA, has the highest concentration of the minority Hispanic population in the City. The current 5 year NRSA plan will expire in 2022 and the intent is for the City to integrate findings from the latest Climate Action Plan, as the NRSA area is the most vulnerable to the risks of climate change as mentioned in MA-65.

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

Finally, within the Low Income Target Area are areas that have been identified as needing increased code enforcement activity. These areas, which are collectively called the Code Enforcement Target Area (CETA), must first qualify as a predominantly residential low income area that meets the City’s definition of having signs of deterioration. The CETA map is updated on an annual basis as individual areas improve. However, with the latest Consolidated Plan Survey, feedback from City residents indicates that Code Enforcement is not a desirable outcome to pursue. Thus, the next NRSA plan will not include Code Enforcement as part of the overall plan.

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

Table 47 – Priority Needs Summary

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

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

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

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

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

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

Table 48 – Influence of Market Conditions

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

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

Introduction

The City of Santa Cruz is a CDBG and HOME entitlement jurisdiction has been allocated \$600,856 in CDBG funds and \$385,177 in HOME funds for 2020 PY. Santa Cruz does not receive funding under the Emergency Solutions Grant (ESG) or Housing Opportunities for Persons with AIDS (HOPWA) programs. In 2020, the City of Santa Cruz will receive an additional allotment of CDBG-CV funding that is not anticipated to be continued in future years, so the projections below do not include these funds going beyond the CDBG-CV1 and CDBG-CV3 allocations awarded in 2020.

In recent years, the levels of CDBG and HOME funds for Santa Cruz has stabilized after a long decline and in the last five years, funding has actually increased. In estimating the amounts of funding available over this Consolidated Plan period, the City took a conservative approach to assume about the average HUD funding allocations from the four prior years. This would be about \$550,000 in CDBG funds and \$350,000 in HOME Program funds.

In terms of CDBG program income (PI), the City does not anticipate a steady stream of significant PI over the course of this Consolidated Plan. The City is expects to receive about \$7,000 to \$8,000 per year in monthly loan payments. For HOME Program PI, the City expects to receive larger periodic loan repayments based a share of project income for one or two housing projects. This is expected to average about \$40,000 per year. Additional PI may come from final loan-pay-offs for the repayment of Rehabilitation (CDBG and HOME) and First-Time Homebuyer (HOME) loans. These will automatically be re-programmed for affordable housing activities. Specific projects will be identified during the Action Plan process.

Table 49 - Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount \$ Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation:	Program Income	Prior Year Resources	Total		
CDBG	Public - Federal	Community Facilities & Programs; Homeless Services; Affordable Housing Programs	\$600,856	\$8,000	\$272,000	\$880,856	\$2,232,000	Used to fund Community Programs; Code Enforcement, Infrastructure & Facility Improvements; and 2 Housing Programs' Delivery Costs.
HOME	Public - Federal	Affordable Housing	\$387,974	\$40,000	\$657,767	\$1,085,741	\$1,400,000	Used to fund Housing Development, rehab, and Security Deposit Program. Prior year resources include funds set aside for possible housing projects but not awarded.
CDBG-CV	Public - Federal	Pandemic Response, Preparation and Prevention	\$353,464	\$0	\$0	\$353,464	\$561,551	Used to fund pandemic response activities which benefit low-income, homeless, senior and disabled households.
City General Fund	Public - Local	Public Services; Other Homeless Programs	\$1,000,000	\$0	\$0	\$1,000,000	\$5,000,000	General Funds used for social services and homeless programs.
Affordable Housing Trust Fund	In Lieu Fees	Affordable Housing	\$135,000	NA	NA	\$135,000	\$3,000,000	Affordable Housing Development and Preservation. Most flexible funding.
Red Cross Funds	Prior Loan Payments	TBRA; Public Services	\$47,000	\$0	\$0	\$47,000	\$82,000	Funding used for Beach Flats Community Center; Security Deposit Program and Emergency Housing Assistance for the Beach Flats and Lower Ocean Street neighborhoods.
Former RDA Housing Funds	City Bond Proceeds	Affordable Housing	\$0	\$0	\$0	\$0	\$65,000	Commitment to Metro Project.
LIHTC	State	Affordable Housing	\$0	\$0	\$0	\$0	\$25,000,000	Funding is dependent upon individual projects receiving Tax Credits.
State Cap and Trade Prog.	State	Transit Oriented Development	\$100,000	\$0		\$0	\$200,000	Includes Funding for First Time Homebuyer Program (CalHome) and later IGG and AHSC funds for

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

The extent of needs in the City Santa Cruz far exceeds the available funding from the CDBG and HOME programs. Most activities to be pursued by the City with CDBG and HOME funds will be leveraged with a variety of funding sources, including: grants from State and federal governments; private foundations; capital development funds; general funds; private donations of funds or services; and other various funding sources. The federal Low Income Housing Tax Credit (LIHTC) program remains an important source of funding for affordable housing. The City also intends to apply for new state grants, including CalHome funds for the First Time Homebuyer Program and a new Accessory Dwelling Unit Program; the Affordable Housing Sustainable Communities (AHSC) and Infrastructure and Infill Grant (IIG) for the proposed Metro Housing Project.

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

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

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

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

- ☐ Housing Developments including Neary Lagoon, Nueva Vista, Sycamore Commons, the Tannery, and Gault Street Senior Housing.
- ☐ Beach Flats Community Center.
- ☐ Homeless Services Center.
- ☐ Market Street Senior Center.
- ☐ In addition, the City owns the Loudon Nelson Community Center which includes the City operated Senior Center and Teen Center.

Discussion

See discussions above.

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions. Because the Geographic Area Served by all entities in the following chart is regional, this column has been eliminated from the following HUD Table.

The City maintains a robust networks of jurisdictional and region-wide public and non-profit service providers. The major funding and service delivery stakeholders include the City of Santa Cruz; the County of Santa Cruz Administrative Office, Planning Department, Health Services Agency, and Human Services Department; the Housing Authority of Santa Cruz County; the Homeless Action Partnership; and numerous non-profit service providing agencies. The following table provides details:

Table 50 - Institutional Delivery Structure

Responsible Entity	Responsible Entity Type	Role
Housing Matters	Non-profit organizations	Homelessness
Families in Transition of Santa Cruz County, Inc.	Non-profit organizations	Homelessness; public services
County of Santa Cruz Administrative Office, Health Services Agency, and Human Services Department	Government	Homelessness; Non-homeless special needs; Planning; public services
Homeless Action Partnership	Government	Homelessness; Planning
Encompass Community Services	Non-profit organizations	Homelessness; Non-homeless special needs; Rental; public services
City of Santa Cruz	Government	Economic Development; Homelessness; Non-homeless special needs; Ownership; Planning; Rental; neighborhood improvements; public facilities; public services
Salvation Army	Non-profit organizations	Homelessness; Non-homeless special needs; public services
Association of Faith Communities	Non-profit organizations	Homelessness;
Community Action Board of Santa Cruz	Non-profit organizations	Homelessness; Non-homeless special needs; public services

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

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

Table 51 - Homeless Prevention Services Summary

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

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

The Santa Cruz County CoC unites a broad range of housing and service programs around a single coordinated approach for assisting all persons experiencing homelessness (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) to rapidly move from the streets and despair to housing and self-sufficiency. Following HUD direction and guided by the *All In* strategic plan, the CoC has moved to improve system-wide efficiency and effectiveness by launching the Smart Path CES and prioritizing the most vulnerable persons for housing, implementing Housing First and Harm Reduction practices, defining program standards for each program types, and setting and tracking CoC-wide performance targets in line with the Hearth Act measures.

Within this broader countywide CoC system, the following programs and resources are specifically available to serve chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth experiencing homelessness in the City of Santa Cruz:

Outreach and Assessment: Two City-funded full-time Downtown Outreach Workers works with

homeless individuals to connect them with resources seven days per week, ten hours per day; HERO: Homeless Engagement Resources Officers - links two police officers with the County's HOPES Team, to better engage homeless people on the streets and connect them with appropriate behavioral health and other services; Veteran- and youth-specific outreach; CAB provided daily hotline with information and referral to shelters and other services; mental health crisis and domestic violence hotline; Smart Path CES roaming assessor and access points at Encompass Community Services, Housing Matters, Families in Transition, Mental Health Client Access Network, Santa Cruz Downtown Library, Veteran Resource Center, and Salvation Army.

Emergency Shelters: (1) 40-bed Paul Lee Loft for homeless adults; (2) 90-person Rebele Shelter for homeless families; (3) 32-bed River Street Shelter for adults with serious mental illness; (4) 12-bed Recuperative Care Center for homeless adults leaving hospitals; (5) 12-bed Sienna House shelter for homeless pregnant women; (6) 12-bed Jesus, Mary, and Joseph Home shelter for families and terminally ill; (7) 20-bed Rotating Community Shelter for homeless adults; 12-bed Pagett Center shelter for Veterans; 18-bed Mariposa House domestic violence shelter; 55-bed Laurel Street Shelter for adults and families; and emergency motel vouchers for medically frail.

Transitional Housing: (1) 40-bed Page Smith transitional housing for homeless adults; (2) 13 family unification vouchers set aside as transitional housing for young adults and families; (3) 15-bed Transitional Housing Plus program for youth leaving foster care; (4) 6-bed GEMMA transitional housing for women leaving jail; and (5) 6-bed transitional housing for persons with HIV/AIDS.

Rapid Re-Housing Programs: (1) 2-bed RRH program for youth and young adults; (2) 22-bed ESG-funded RRH program for adults; (3) 76-bed FIT RRH program families (various funding sources); and (4) 33-bed RRH program for Veterans.

Permanent Supportive Housing (most target chronically homeless): (1) 11-SRO Permanent Supportive Housing units at Nuevo Sol; (2) 83 beds PSH operated by Homeless Persons Health Project in Shelter Plus Care and MATCH Programs (number of beds in the City varies); (3) 5-bed PSH for mentally disabled in the PH for Mental Disabilities program; (4) 14-bed Grace Commons PSH; 20-bed Housing for Health PSH; (5) 6-bed PSH Bonus for Chronically Homeless program; (6) 63-bed Disabled and Medically Vulnerable Homeless Housing Choice Voucher Preference program; (7) 9-bed New Beginnings PSH; (8) 4-bed New Roots PSH for youth and young adults; and (9) 200-bed HUD VASH PSH for Veterans.

Additional Supportive Services Programs: (1) Housing Matters - meals, showers, laundry, mail service, computer access, CalFresh employment training; and assistance from case workers; (2) Homeless Persons Health Project – healthcare and related services; (3) Encompass Community Services - services for psychiatrically disabled, TAY youth, and families; (4) County Office of Education Students in Transition Project - ensures educational rights and protections for children and youth experiencing homelessness; (5) Homeless Garden Project - job training and transitional employment to homeless people in organic gardens and related enterprises; (6) Community Action Board Shelter Project - integrated services team approach for youth experiencing homelessness; (7) Downtown Streets Team – job training and transitional employment in streets cleanup and community beautification projects.

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

Strengths: Santa Cruz County has a well coordinated system for addressing the needs of special populations and for implementing a holistic CoC strategy for addressing homelessness. The CoC's lead planning body, the Homeless Action Partnership (HAP), has been highly active, collaborative, and operational for 20 years. Currently, the HAP includes 30 active organizational and individual members representing all geographic parts of the county, as well as the key functional sectors. The City of Santa Cruz has a history of effective collaboration with the County and other Cities around joint efforts on homelessness. As a result, despite its small size the community has been very successful at accessing federal and State funding, for example:

1. Steadily increasing the amount of annual competitive CoC funding received from \$500,000 in 2001 to over \$3.5 million in 2019;
2. Winning \$4.2 million in competitive federal Recovery Act Homelessness Prevention and Rapid Rehousing Program (HPRP) funds in 2009 (the highest such award for a County of our size in California);
3. Securing 300 HUD VASH vouchers since the start of the HUD VASH program;
4. Securing and estimated \$7.5 million in VA SSVF awards since 2012;
5. Receiving \$2.2 million in the first competitive round of the HUD Youth Homelessness Demonstration Program; and
6. Accessing more than \$10 million in 2019 from the California Homeless Emergency Assistance Program and California Emergency Solutions and Housing Program.

With these funding sources and others, and through long-standing collaborative efforts, the community has done a good job of planning for, establishing and operating a CoC system that includes housing and service programs for all special populations, and in continually improving the system through such measures as CES, Housing First, and performance tracking

Gaps: Despite the funding successes above, overall funding remains inadequate given the size of the homeless population and scale of need for existing and new homeless assistance programs. Lack of affordable housing is the largest barrier to ending homelessness and providing for individuals with special needs. Santa Cruz County has one of the most expensive rental housing markets in the nation making it extremely difficult to find affordable housing; moreover, only 580 existing beds of permanent housing are available homeless persons compared to 2,167 persons experiencing homelessness.

In addition, the persistently high rate of unsheltered homelessness has exposed key gaps in the homelessness crisis response system, especially in the City of Santa Cruz, where the presence of large encampments have challenged the whole community. To address these local concerns, the City formed a Homelessness Coordinating Committee to take a focused look at what could be done to better coordinate across all partners with this challenge, alleviate the suffering of homelessness and shift the City from a reactionary to a proactive stance. The Committee identified, and the City has begun addressing, the following key gaps:

1. A lack of sufficient shelter bed capacity and need for a Navigation Center – the City has one

- of the lowest shelter sufficiency ratios in the State
2. Insufficient outreach resources to contact all unsheltered homeless persons – the City has since added outreach staff
 3. Lack of hygiene, storage, other basic need services, and a day center for unsheltered persons
 4. Lack of problem solving capacity to help people avoid homelessness or return home if they want to
 5. Lack of sufficient funding for emergency response services of all types
 6. Need to expand City staff capacity (time and training) to address homelessness.

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

The City will continue to collaborate with the HAP to carry out a countywide CoC strategy and to achieve the goals of the *All In* strategic homelessness plan. In addition, the City will continue to work with the County, other Cities, and community to apply for and secure new federal and state funding sources, to promote a new local revenue source for housing, to move forward on a range of planning and policy changes needed to develop affordable housing, and to support existing and new nonprofit providers that are adding or expanding homeless housing and services in the City.

Also, the County and HAP with City collaboration have retained Focus Strategies on an assessment of the county homelessness crisis response system. Once this assessment is complete, the next step in the process will be to work with Focus Strategies to conduct strategic planning that will build on and refine *All In*, affirm the need for a regional response to homelessness, and integrate a series of recommendations coming out of Focus strategies-led working groups. Key short-term recommendations that have already emerged from the process include:

1. Implementing system-wide Diversion practice and refine Smart Path
2. Building capacity of shelters to deliver housing-focused services
3. Coordinating and standardizing outreach efforts
4. Completing work of the Governance Study Group.

Finally, the City is committed to implementing the local Santa Cruz-specific recommendations identified in the City's Homelessness Coordinating Committee's *Final Report and Recommendations*. This will include identifying new funding sources, expanding staff capacity, expanding a basic services for immediate needs, increasing state and federal advocacy, and deepening local and regional partnerships.

The following responses integrate strategies from All In, the Focus Strategies process, and the City's Final Report and Recommendations.

SP-45 Goals Summary – 91.215(a)(4)

Table 52 – Goals Summary

1	GOAL NAME	Support County-wide Homeless Strategic Plan.		
	PERIOD	Start Year: 2020	End Program Year: 2024	
	CATEGORY	Homeless		
	GEOGRAPHIC AREA	City-wide		
	NEEDS ADDRESSED	Homeless Assistance Programs		
	FUNDING	CDBG:	\$1,500,000	
		General Fund	\$5,000,000	
	GOAL OUTCOME INDICATOR	Public service activities other than Low/Moderate Income Housing Benefit:	3,000 Persons Assisted	
		Homeless Person Overnight Shelter:	2,800 Persons Assisted	
	GOAL DESCRIPTION	Funding provided for homeless services including day essential services and future Navigation Site and other infrastructure activities such as rehabilitation of the Housing Matters Hygiene Bay. Estimates are for both programs and infrastructure projects. The Winter Shelter and other homeless facilities and services are included in the funding amounts but not the Outcomes. Rapid Rehousing is included under a previous housing goal since the Security Deposit Program is not limited to use by homeless persons.		

2	GOAL NAME	Increase and preserve affordable housing.		
	PERIOD	Start Year: 2020	End Program Year: 2024	
	CATEGORY	Affordable Housing		
	GEOGRAPHIC AREA	City-wide; Code Enforcement Target Areas		
	NEEDS ADDRESSED	Preserve existing rental housing and increase the amount and affordability of rental housing for the City’s lowest income renters.		
	FUNDING	CDBG:	\$627,500	
		HOME:	\$2,485,741	
		LIHTC:	\$25,000,000	
		State -Grant	\$5,000,000	
		RDA Bond Proceeds	\$65,000	
AHTF		\$3,000,000		
GOAL OUTCOME	Homeowner Housing Added:	5 Household Housing Unit		

INDICATOR	Tenant-based rental assistance / Rapid Rehousing:	350 Households Assisted
	Homelessness Prevention:	50 Persons Assisted
	Affordable Rental Units Created/Preserved	30 Household Housing Units
	Housing Code Enforcement:	0 Household Housing Unit
GOAL DESCRIPTION	Includes new development or rehabilitation of affordable housing, creation of affordable units under the City's inclusionary housing program, development of affordable Accessory Dwelling Units (ADUs), and other preservation efforts, TBRA eviction prevention and the security deposit program. More affordable units are expected to be created, but estimate includes only those which might get HOME funding.	

3	GOAL NAME	Revitalize community facilities & infrastructure.	
	PERIOD	Start Year: 2020	End Program Year: 2024
	CATEGORY	Non-Homeless Special Needs; Non-Housing Community Development	
	GEOGRAPHIC AREA	Priority = Neighborhood Revitalization Strategy Area (NRSA); Secondary Priority = Low Income Target Areas; Other Priority = infrastructure serving LMC clientele including: low income, homeless, senior and disabled adults.	
	NEEDS ADDRESSED	Community Infrastructure Improvements	
	FUNDING	CDBG:	\$302,856
	GOAL OUTCOME INDICATOR	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit:	5250 Persons Assisted (Based on Population in NRSA)

	GOAL DESCRIPTION	Low Income Target Area Improvements: 1) Sidewalk Improvements. 2) Pedestrian crossing improvements. 3) Lighting Improvements. City-wide - handicapped ramps at intersections. Park/Rec Facility improvements (Per Parks Plan). Non-Profit Organization Facility Improvements TBD.
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4	GOAL NAME	Provide community and supportive services.		
	PERIOD	Start Year: 2020	End Program Year: 2024	
	CATEGORY	Non-Housing Community Development		
	GEOGRAPHIC AREA	First Priority = Neighborhood Revitalization Strategy Area (NRSA); Second Priority = Low Income Target Areas; Other Priority = Low Income Persons and Presumed Eligible Persons City-wide		
	NEEDS ADDRESSED	Community Services and Youth Programs, Pandemic related urgent needs in response to COVID-19.		
	FUNDING	CDBG:	\$682,500	
		General Fund:	\$2,000,000	
		Red Cross Funds:	\$129,000	
		CDBG-CV	\$915,015	
	GOAL OUTCOME INDICATOR	Public service activities other than Low/Moderate Income Housing Benefit:	5250 Persons Assisted (Based on population in NRSA)	
GOAL DESCRIPTION	Continue to provide partial funding for the City's Community Programs with a focus on providing assistance to households in the City's NRSA and Low Income Target Areas, including the minority Hispanic Community in these areas.			

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

See Goals Descriptions above.

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

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

Not applicable.

Activities to Increase Resident Involvements

Continue with representatives on Commission.

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

No.

Plan to remove the 'troubled' designation

Not applicable.

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

Barriers to Affordable Housing

The City of Santa Cruz completed the most recent Analysis of Impediments to Fair Housing Choice (AI) in 2008. In preparation for the anticipated submittal of the Assessment of Fair Housing (AFH), the City Council approved extending the 2008 AI from July 17, 2017 through June 30, 2020 at their regular meeting on June 27, 2017. At their regular meeting on June 23, 2020, the City Council again approved extending the 2008 AI until June 20, 2022 in order to be able to utilize the anticipated 2020 Census data.

Lack of Affordable Housing Funding and Cost of Development: The City of Santa Cruz is still working to overcome the dissolution of redevelopment and the loss of a consistent funding stream for affordable housing projects with the Affordable Housing Trust Fund (AHTF), but it is still a challenge to fill development funding gaps. Funding at the State and Federal levels has also continued to experience significant cuts. With reduced funding and increased housing costs, the City faces significant challenges in providing affordable and decent housing opportunities for its lower and moderate income residents, especially those with extremely low incomes. The situation is exacerbated by state Prevailing Wage and federal Davis Bacon wage requirements as well as California’s environmental review requirements, all of which add to the cost of housing.

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

Permit and Processing Procedures: The processing time required to obtain approval of development permits is often cited as a contributing factor to the high cost of housing. For some proposed development projects, additional time is needed to complete the environmental review process before an approval can be granted. Unnecessary delays add to the cost of construction by increasing land holding costs and interest payments. In an effort to streamline plan review turnaround, the City Planning Department holds regular interdepartmental review meetings to consolidate feedback to developers and cut down on unnecessary delays. When compared to other local jurisdictions, the City processes entitlements and permits within a reasonable period of time.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Encouraging Higher Density and/or Small Unit Development: The City has amended the zoning ordinance to increase accessory dwelling units’ development in single family neighborhoods by further relaxing zoning requirements (in accordance with new State laws).

Planning and Development Fees: In the past, the City has provided fee waivers for affordable housing development. This continues to be considered on a case by case basis as new

development projects are proposed in the City.

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

SP-60 Homelessness Strategy – 91.215(d)

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

A. Outreach strategies included in the *All In* county-wide homeless strategic plan include:

Priority 1: Integrating Systems and Community Support

- ☐ Strategies – (1) Integrate street outreach and day centers with coordinated entry, so that the system assesses all unsheltered persons; and (2) Increase networking of street outreach mental health and law enforcement personnel for appropriate service responses and improved community relations.

Priority 4: Ending Chronic & Other Adult Homelessness

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

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

- ☐ **Strategies:** (1) Support and increase all programs for existing and former foster youth, including outreach, counseling, educational and job linkages, family unification, group homes, LGBTQ support, the Independent Living Program, and Transitional Living Program; (2) Increase mobile outreach with basic needs resources at locations where youth gather, e.g., downtown and Capitola Mall.

Priority 8: Ending Veteran Homelessness

- ☐ **Strategies:** (1) Conduct outreach to veterans and families at-risk of housing loss and widely advertise SSVF and other prevention programs; (2) Continue prevention efforts through VAPAHCS for Medical Outreach linkage to VA health care, HUDVASH, and SSVF.

B. Outreach strategies emerging from Focus Strategies-led working groups include:

- ☐ Improve existing outreach and engagement programs by better integrating their activities, equipping them with tools and training for housing-focused problems solving and diversion.

C. Outreach strategies included in the City's Homelessness Coordinating Committee *Final Report and Recommendations* include:

- Increase outreach services, including an expanded mobile behavioral/ mental health team from the County Health Services Agency. Consider additional outreach workers and mental health liaisons. Work with the County on a better coordinated model of outreach and support seven-days-a-week.

Addressing the emergency and transitional housing needs of homeless persons

A. Emergency shelter and transitional housing strategies included in the *All In* county-wide homeless strategic plan include:

Priority 1: Transforming the Crisis Response System

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

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

- ☐ **Strategies:** (1) Create a central point-of-contact and services for youth and young adults that includes a day center with counseling and comprehensive resources (including mainstream benefits), and an emergency shelter; (2) Explore funding through ESG and Youth Basic Center grants; (3) Support and increase all programs for existing and former foster youth, including outreach, counseling, educational and job linkages, family unification, group homes, LGBTQ support, the Independent Living Program, and Transitional Living Program; (3) Develop a menu of additional youth/young adult-focused housing options, including transitional housing, permanent supportive housing, affordable housing, increased Family Unification Program vouchers, college housing, and group housing; and (4) Work with the John Burton Foundation to advocate for youth/young adult program funding and increased time limits in transitional living.

B. Outreach strategies emerging from Focus Strategies-led working groups include:

- ☐ Build capacity of shelters to deliver housing-focused services.

C. Outreach strategies included in the City's Homelessness Coordinating Committee *Final Report and Recommendations* include:

- Engage in partner and community discussions about a regional Navigation Center. Organize a group visit of stakeholders to the San Francisco Center. Organize or participate in a working group with partner agencies and entities to explore siting, operations and funding.

Engage in partner and community discussions about a regional year round homeless shelter center

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.

Overview

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

Action Strategies

Short-Term

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

Long-Term

- Participate in national and state advocacy for more funds (e.g., CoC program, state bonds, redevelopment successor funding).
- Explore innovative housing models, such as “tiny houses” and relaxed second-unit rules
- Consider modifications to existing density bonus programs that may work in Santa Cruz County.
- Support community efforts to preserve and develop site-based affordable housing

opportunities, including for workers, seniors, and disabled persons; encourage income targeting to extremely low-income persons at risk of homelessness.

B. Housing strategies emerging from Focus Strategies-led working groups include:

- ☐ Develop recommendations for more effective prioritization strategies for housing resources.
- A flexible funding pool to support housing exits.

C. Housing strategies included in the City's Homelessness Coordinating Committee *Final Report and Recommendations* include:

- ☐ Support the development of housing, including permanent supportive housing and accessory dwelling units, and by promoting housing policies that encourage the preservation and development of housing.

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

A. Prevention strategies included in the *All In* county-wide homeless strategic plan include:

Priority 1: Transforming the Crisis Response System

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

Priority 4: Ending Chronic & Other Adult Homelessness

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

Priority 5: Ending Family Homelessness

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

Priority 8: Ending Veteran Homelessness

- **Strategies:** (1) Continue to expand the use of HUD-VASH for permanent supportive housing, SSVF for prevention and rapid rehousing, and VA contract beds and Grant Per Diem for interim housing; (2) Continue prevention efforts through VAPAHCS for Medical Outreach linkage to VA health care.

B. Prevention strategies emerging from Focus Strategies-led working groups include:

- ☐ Develop and implement strategy and proposal to integrate problem-solving (diversion) into Smart Path Coordinated Entry System.
- ☐ Induct an introduction to diversion training for providers and other interested stakeholders.

C. Prevention strategies included in the City's Homelessness Coordinating Committee *Final Report and Recommendations* include:

- ☐ N/A.

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

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

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

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

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

Registered Environmental Health Specialists:

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

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

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

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

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

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

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

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

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

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

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

1. **Rental Assistance.** The City will continue to work with owners of project based HUD Section 8 developments to encourage them to renew HUD contracts to provide rental assistance for low income households.
2. **Security Deposit Program.** HOME funds are used to help households pay security deposits in order to access affordable housing.
3. **Childcare.** The City’s Community Programs provides on-going support of childcare providers.
4. **Workforce Development Board (WDB).** Brings together the business and education communities, local government, and residents of Santa Cruz County to address local and regional workforce issues. The WDB recently executed a two year contract in conjunction with Goodwill Central Coast and Community Action Board (CAB) to focus on outcomes oriented contracts. Additionally, the Workforce Santa Cruz County (WFSCC) is overseen by the WDB and is a partnership of local organizations that serve job seekers and businesses in the community. These programs train and deploy workers, retrain employees who have been laid off and help all workers gain the skills they need to enter and prosper in the labor market.
5. **Encompass Community Resources Head Start & Families Together Programs.** Encompass operates Head Start programs which support school readiness and promotes healthy families through delivery of education, health and social services and Families Together, which is an innovative child and family development program providing home-based services with the overall goal to reduce the

number of re-referrals to Child Welfare Services by improving child and family well-being.

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

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

SP-80 Monitoring – 91.230

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

The City has three basic types of monitoring.

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

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

The monitoring process for the 2020-2021 will be altered to accommodate COVID-19 restrictions. We will be requesting waivers for HOME inspections to delay inspections until COVID-19 impacts are minimal. We will continue with the HOME monitoring protocols enacted in 2017, during this time we transitioned to periodically monitoring every 3 years after the 1st year re-inspection instead of every year.

HCD staff takes the lead in monitoring affordable projects when the City is the only or primary funding source or the City's affordability requirements for the project are the most stringent. When another

funding source has more rigorous requirements, typically the City will receive copies of those monitoring reports to ensure compliance with City agreements and HUD funding requirements.

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

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

2015-2016 ACTION PLAN

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

Introduction

The City of Santa Cruz is a CDBG and HOME Program entitlement jurisdiction and has been allocated \$600,856 in CDBG funds and \$385,177 in HOME funds for 2020-2021 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 2020-2021 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 2020 – 2021 Five-year Consolidated Plan. The list does not include all sources that eventually are expected to be used. These Resources are financial, involve partnership opportunities, and include ability to leverage additional funds.

Table 53 - Expected Resources – Priority Table

PROGRAM	SOURCE OF FUNDS	EXPECTED AMOUNT IN \$ AVAILABLE YEAR 1				Expected Amount Available Reminder of ConPlan \$
		Annual Allocation	Program Income	Prior Year Resources	Total	
CDBG	PUBLIC - FEDERAL	\$600,856	\$8,000	\$272,000	\$880,856	\$2,232,000
		Allowed Use of Funds	Acquisition; Admin and Planning; Economic Development; Housing; Public Improvements; Public Services			
		Narrative Description	City receives funds annually from HUD.			
HOME	PUBLIC - FEDERAL	\$387,974	\$40,000	\$657,767	\$1,085,741	\$1,400,000
		Allowed Use of Funds	Acquisition; Admin and Planning; Economic Development; Housing; Public Improvements; Public Services			
		Narrative Description	City receives funds annually from HUD.			

CDBG-CV	PUBLIC - FEDERAL	\$353,464	\$0	\$0	\$353,464	\$ 561,551
		Allowed Use of Funds	Pandemic related CDBG eligible activities.			
		Narrative Description	Funding received as part of the CARES Act, CDBG-CV1 and CDBG-CV3.			
PROGRAM	SOURCE OF FUNDS	EXPECTED AMOUNT IN \$ AVAILABLE YEAR 1				Expected Amount Available Reminder of ConPlan \$
		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	
TAX EXEMPT BOND PROCEEDS	PUBLIC - LOCAL	0	0	0	0	\$65,000
		Allowed Use of Funds	Acquisition; Admin and Planning; Economic Development; Housing; Public Improvements; Public Services			
		Narrative Description	Formerly "RDA" -Funding is committed to the Metro Project.			
OTHER- State Grant Programs	PUBLIC - STATE	0	0	0	0	\$25,000,000
		Allowed Use of Funds	The City's Metro Project qualifies for use of 2 new state grants including the State Affordable Housing Sustainable Communities (AHSC) and the Infrastructure and Infill Grant (IIG). In addition, the City qualifies and has applied for a CalHome grant for the First Time Homebuyer Program.			
		Narrative Description	City will apply for grants for Metro Project. Actual amount of request will be determined at that time.			
OTHER - AHTF	PUBLIC - LOCAL	\$135,000	0	0	\$135,000	\$3,000,000
		Allowed Use of Funds	City's Affordable Housing Trust Fund (AHTF) is used for affordable housing development and preservation and limited administration			
		Narrative Description	AHTF will be used for the MHMH Program in the 2020-2021 PY			
		\$47,000	0	0	47,000	\$82,000

OTHER – RED CROSS FUNDS	PUBLIC - LOCAL	Allowed Use of Funds	Beach Flats Community Center operating expenses; Security Deposit Program and Emergency Housing Assistance for the Beach Flats and Lower Ocean Street neighborhoods.
		Narrative Description	Use of funding for other programs/projects to be approved by Red Cross.

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

The extent of needs in the City Santa Cruz far exceeds the available funding from the CDBG and HOME programs. Most activities to be pursued by the City with CDBG and HOME funds will be leveraged with a variety of funding sources, including: grants from State, Federal, and local governments; private foundations; capital development funds; general funds; private donations of funds or services; and other various funding sources. The City has applied for a state CalHome grant for a First Time Homebuyer Program. If funds are received, the City may use future HOME Program funds for the FTH Program as well .

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 about \$9 million. This excess match will fulfill the City's HOME match requirements for many years at the current level of HOME funding.

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

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

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

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

In addition, the City owns the Loudon Nelson Community Center which includes the City operated Senior Center and Teen Center.

Discussion

See discussions above.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Table 54 – Goals Summary

1	GOAL NAME	Support County-wide Homeless Strategic Plan.		
	PERIOD	Start Year: 2020	End Program Year: 2024	
	CATEGORY	Homeless		
	GEOGRAPHIC AREA	City-wide		
	NEEDS ADDRESSED	Homeless Assistance Programs		
	FUNDING	CDBG:	\$492,085	
		General Fund	\$600,000	
		Red Cross Funds:	\$0	
	GOAL OUTCOME INDICATOR	Public service activities other than Low/Moderate Income Housing Benefit:	1250 Persons Assisted	
		Homeless Person Overnight Shelter:	570 Persons Assisted	
GOAL DESCRIPTION	Funding provided for homeless services and infrastructure projects. Including expansion and renovation of homeless services include: day use, navigation centers, hygiene services, overnight shelter facilities and programs, food programs for the homeless and other needs as identified in conjunction with community partners and citizen outreach.			

2	GOAL NAME	Increase and preserve at risk affordable housing.		
	PERIOD	Start Year: 2020	End Program Year: 2024	
	CATEGORY	Affordable Housing		
	GEOGRAPHIC AREA	City-wide		
	NEEDS ADDRESSED	Preserve existing rental housing and increase the amount and affordability of rental housing for the City's lowest income renters. Provide tenant based subsidies to get into and stay in housing.		
	FUNDING	CDBG:	\$8,000	
		HOME:	\$325,000	
		Red Cross Funds:	\$22,000	
	GOAL OUTCOME	Homeowner Housing Added:	1 Household Housing Unit	

INDICATOR	Tenant-based rental assistance / Rapid Rehousing:	50 Households Assisted
	Homelessness Prevention:	20 Persons Assisted
	Housing Code Enforcement:	0
GOAL DESCRIPTION	For the 2020-2021 Program Year, includes: (1) provision of about 50 security deposits and 80 emergency housing assistance grants; 2) rental referral services; 3) Rehab administration and 4) tenant legal counseling.	

3	GOAL NAME	Revitalize community facilities & infrastructure.	
	PERIOD	Start Year: 2020	End Program Year: 2024
	CATEGORY	Non-Homeless Special Needs; Non-Housing Community Development	
	GEOGRAPHIC AREA	Priority = Neighborhood Revitalization Strategy Area (NRSA); Secondary Priority = Low Income Target Areas;	
	NEEDS ADDRESSED	Community Infrastructure Improvements	
	FUNDING	CDBG:	\$100,000
	GOAL OUTCOME INDICATOR	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit:	250 Persons Assisted
	GOAL DESCRIPTION	2020-2021 Program Year includes: (1) senior center renovations (2) homeless infrastructure renovations (goal included here, but funding included in Goal 1 to support the Homeless Strategic Plan.)	

4	GOAL NAME	Provide community and supportive services.		
	PERIOD	Start Year: 2020	End Program Year: 2024	
	CATEGORY	Non-Housing Community Development		
	GEOGRAPHIC AREA	Priority = Neighborhood Revitalization Strategy Area (NRSA); Secondary Priority = Low Income Target Areas; Low Income Persons City-wide		
	NEEDS ADDRESSED	Community Services and Youth Programs		
	FUNDING	CDBG:	\$155,000	
		General Fund:	\$400,000	
		Red Cross Funds:	\$25,000	
		CDBG-CV	\$353,464	
	GOAL OUTCOME INDICATOR	Public service activities other than Low/Moderate Income Housing Benefit:	5250 Persons Assisted (Based on population in NRSA)	
GOAL DESCRIPTION	Continue to provide partial funding for the City's Community Programs with a focus on: (1) providing assistance to households in the City's NRSA and Low Income Target Areas, including the minority Hispanic Community in these areas; and (2) homeless services. For this program year, there is the additional great need presented by the COVID-19 pandemic, especially for food and rent services.			

Projects

AP-35 Projects – 91.220(d)

Introduction

This section includes the projects proposed for the 2020-2021 Program Year.

Table 55 - Project Information

#	Project Name
1	Homeless Infrastructure
2	Homeless Services
3	Nueva Vista
4	Teen Center
5	Senior Center(SCO) Renovations
6	Rehab Program Delivery Costs
7	California Rural Legal Assistance Legal Counseling
8	Security Deposit Program
9	CAB Emergency Eviction Prevention TBRA
10	CDBG Program Administration
11	HOME Program Administration
12	CDBG-CV Santa Cruz Community Health
13	CDBG-CV Dientes Community Dental Care
14	CDBG-CV Community Bridges Elderday
15	CDBG-CV Hope Services
16	CDBG-CV Community Action Board Rental Services
17	CDBG-CV Community Bridges- Meals on Wheels
18	CDBG-CV Santa Cruz Community Farmer's Market
19	CDBG-CV Second Harvest Food Bank
20	CDBG-CV Program Administration

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

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

Note: Presumed benefit is “No” for all projects unless otherwise indicated.

AP-38 Project Summary

Project Summary Information

1	Project Name	Homeless Infrastructure
	Target Area	Not Applicable
	Goals Supported	Revitalize community facilities & infrastructure and Support County-wide Homeless Strategic Plan
	Needs Addressed	Community Infrastructure Improvements and Homeless Assistance Programs
	Funding	CDBG: \$460,957
	Description	Construction and/or repair of homeless infrastructure including: hygiene bay renovations, rehabilitation of homeless facilities, designated homeless bathrooms, site acquisition for homeless facilities, design costs for homeless facilities and project management for homeless infrastructure projects. National Objective: LMC presumed benefit Matrix Code: 3C Homeless Facilities
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	1000 Extremely Low Income
	Location Description	Non Target Area & City-wide
	Planned Activities	See description

2	Project Name	Homeless Services
	Target Area	Not Applicable
	Goals Supported	Support County-wide Homeless Strategic Plan.
	Needs Addressed	Homeless Assistance Programs
	Funding	CDBG: \$35,128; General Fund: \$1 million plus
	Description	Homeless programs to include: day services, navigation services, homeless case management and outreach and subsidy of shelter programs. National Objective: LMC presumed benefit Matrix Code: 3T Operating Costs Homeless
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	300 extremely low income
	Location Description	Non Target Area & City-wide
	Planned Activities	See description

3	Project Name	Nueva Vista
	Target Area	NRSA
	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>
Target Date	6/30/2021
Estimate the number and type of families that will benefit from the proposed activities	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.
Location Description	Neighborhood Revitalization Strategy Area
Planned Activities	Nueva Vista Resource Center (formerly known as Familia Center), has two programs assisted with CDBG funding. The first program is Client Services which provides assistance to families through advocacy and support, information, referrals, follow up, educational workshops, 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.

4	Project Name	Teen Center
	Target Area	NRSA
	Goals Supported	Provide community and supportive services
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$35,000 General Fund: \$120,000
	Description	<p>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.</p> <p>National Objective: LMC- Low/Mod Limited Clientele</p>

	Matrix Code: 5D -Youth Services
Target Date	6/30/2021
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.

5	Project Name	Senior Center(SCO) Renovations
	Target Area	Low income target area
	Goals Supported	Community Infrastructure and Improvements
	Needs Addressed	Community Infrastructure Improvements
	Funding	CDBG: \$100,000
	Description	National Objective: LMC- presumed benefit Matrix Code: 3A Senior Centers
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	250 very low income, extremely low income and low income seniors

Location Description	Market St. Senior Center at 222 Market St. in Santa Cruz
Planned Activities	Rehabilitation including ADA improvements, lighting and electrical, mold remediation, plumbing and fixtures. Note: total project scope will be reduced to accommodate the allotment of funds as there are no other sources.

6	Project Name	Rehab Program Delivery Costs
	Target Area	None
	Goals Supported	Increase and preserve affordable housing.
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$8,000
	Description	Activity provides funding for Unified Housing Rehabilitation Program (UHRP) consultant contract to administer existing UHRP loans and staff costs for new rehab projects. National Objective: LMH- Low/Mod Housing Matrix Code: 14H- Rehab administration
	Target Date	6/30/2021
	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.

7	Project Name	California Rural Legal Assistance Legal Counseling
	Target Area	City-wide
	Goals Supported	Increase and preserve affordable housing.

Needs Addressed	Affordable Housing
Funding	CDBG: \$20,000
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>National Objective: LMC- Low/Mod Limited Clientele</p> <p>Matrix Code: 5C - Legal Services</p>
Target Date	6/30/2021
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.

8	Project Name	Security Deposit Program
	Target Area	City-wide
	Goals Supported	Support County-wide Homeless Strategic Plan. Increase and preserve affordable housing.
	Needs Addressed	Affordable Housing & Homeless Assistance Programs
	Funding	HOME:\$125,000 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	6/30/2021

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.
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.

9	Project Name	CAB Emergency Eviction Prevention
	Target Area	None
	Goals Supported	Provide community and supportive services
	Needs Addressed	Affordable Housing
	Funding	HOME: \$200,000 Red Cross: \$11,000
	Description	Emergency eviction prevention TBRA assistance for those facing eviction due to COVID-19 loss of income. This program will extend existing eviction prevention programming administered by Community Action Board for City of Santa Cruz residents to provide direct rental assistance to income eligible households.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	80-100 extremely low, very low and low-income, though 90% will be at 60% AMI or below, all will be at 80% AMI or below.
	Location Description	City-wide
	Planned Activities	TBRA direct assistance for eviction prevention for 80-100 families in the City of Santa Cruz.

10	Project Name	CDBG Program Administration
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Target Area	N/A
Goals Supported	N/A
Needs Addressed	Planning and Administration
Funding	CDBG: \$121,771.00
Description	Administration funding would partially support 4 staff persons, training and other expenses incurred for operation of the CDBG and HOME Programs and related consultant contracts. Matrix Code: 21A -General Program Admin
Target Date	6/30/2021
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	HOME Program Administration
	Target Area	N/A
	Goals Supported	N/A
	Needs Addressed	N/A
	Funding	HOME: \$106,994.00
	Description	Administration funding would partially support 4 staff persons, training and other expenses incurred for operation of the HOME Program.
	Target Date	6/30/2021

Estimate the number and type of families that will benefit from the proposed activities	N/A
Location Description	337 and 330 Locust St in Santa Cruz
Planned Activities	Planning and administration for HOME program.

12	Project Name	CDBG-CV Santa Cruz Community Health
	Target Area	Available to citizens city wide
	Goals Supported	Provide community and supportive services
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$30,000.00
	Description	In response to the economic impacts of COVID-19 and the need for great need for food and basic staples in the City, A food pantry will be created at the Women's Health Center of non-perishable food and other essential items such as baby food, diapers, basic and feminine hygiene supplies, PPE and oral health care supplies. Additionally SCCHC will increase food distribution services at the East Cliff Family Health Clinic distribution which has grown from 1,500 pounds of food per month to over 18,000 pounds of food per month under COVID-19. National Objective: LMC Matrix Code: 5W Food Banks
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	500 extremely low, very low and low income households.
	Location Description	City-wide
	Planned Activities	Almost all of the funding will go to the purchase of food for the food banks.

13	Project Name	CDBG-CV Dientes Community Dental Care
	Target Area	None
	Goals Supported	Provide community and supportive services
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$46,750.00
	Description	Due to COVID-19, for Dientes to remain open for emergency care at its main Commercial Way clinic (5 days a week) and the Watsonville clinic (4 days a week) a dedicated administrative position will be created to address the new safety protocols and measures being introduced at the clinics. This will allow for continuation of services for approximately 2800 City of Santa Cruz low income patients. National Objective: LMC Matrix Code: 5M Health Services
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	2800 low income, very low income and extremely low income persons
	Location Description	Available to residents City wide
	Planned Activities	Enhanced screening protocols for emergency dental services under COVID-19.

14	Project Name	CDBG-CV Community Bridges Elderday
	Target Area	Available to seniors city-wide
	Goals Supported	Provide community and supportive services
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$24,746.00
	Description	Program will support the coordination and implementation of the "Elderday without Walls" project, aimed to reduce senior isolation caused by COVID-19 restrictions, through virtual daily enrichments and activities. "Elderday without Walls" will provide 100 City of Santa Cruz older adults (60+) with daily virtual activities (chair yoga, Tai Chi, book club, art, movie club, fall prevention, etc.). These activities will help address isolation, fall prevention, provide general health benefits, increase balance and increase cognitive performance

	Funding will support Elderday's program coordinator at 20 hours a week to plan the 10 weekly activities. National Objective: LMC- presumed benefit (seniors) Matrix Code: 5A Senior Services
Target Date	6/30/2021
Estimate the number and type of families that will benefit from the proposed activities	100 low income senior adults
Location Description	City-wide (virtual availability)
Planned Activities	Isolation prevention enrichment activities in response to COVID-19.

15	Project Name	CDBG-CV Hope Services
	Target Area	City-wide
	Goals Supported	Provide community and supportive services
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$17,979.00
	Description	Due to the long-term public health implications of COVID-19 - HOPE services will transition day programs/ services to home-based, remote service delivery, or distance learning for clients with developmental and intellectual disabilities in Santa Cruz. The CDBG-CV funding will transition clients to a distance learning service model to reduce isolation as a result of Shelter in Place orders. Projected costs of the transition include internet connectivity, Chromebooks, laptops or tablets, headsets with mic or webcams with mics, and human support for home setup for approximately 57 clients. National Objective: LMC- presumed benefit disabled adults Matrix Code: 5B Services for Persons with Disabilities
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	57
	Location Description	City-wide

Planned Activities	Equipment and support for transition to remote service delivery under COVID-19.
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16	Project Name	CDBG-CV Community Action Board Rental Services
	Target Area	None
	Goals Supported	Provide community and supportive services &
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$30,000
	Description	<p>Due to COVID-19, there is a greater need than ever before for rental assistance programs in the City of Santa Cruz. Due to loss of jobs, reduced hours and the impacts of lack of child-care for wage earners during the pandemic, Community Action Board is seeing a 40%-60% increase in calls and the need for their existing rental services throughout the County of Santa Cruz since the beginning of the pandemic. The CDBG-CV funding would cover a portion of increased program costs (increased staffing needed for screening, responding to and contacting applicants, gathering paperwork, coordinating with landlords, documenting eligibility, collecting income verification, staff time for processing of payments to landlords and up to 15% indirect administration costs) associated with rental assistance programs for low income City residents which include: referral services, rental assistance programs (RAP), and an expansion of the emergency eviction prevention program. These programs are funded with: Red Cross Funding, County funding, and private donors. The expansion to the emergency eviction prevention program in the form of Tenant Based Rental Assistance (TBRA) needed due to COVID-19 would be funded by HOME. 100% of those assisted would be 80% AMI or below, but historically closer to 95% of those assisted by CAB are at 30% AMI or below.</p> <p>National Objective: LMC</p> <p>Matrix Code: 14J Housing Services - Excluding Housing Counseling</p>
	Target Date	6/30/2021
Estimate the number and type of families that will benefit from the proposed activities	200	

Location Description	City-wide
Planned Activities	Screening, referrals, documentation verification and coordination with landlords.

17	Project Name	CDBG-CV Community Bridges- Meals on Wheels
	Target Area	City-wide
	Goals Supported	Provide community and supportive services
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$51,648.00
	Description	The program will expand home-delivered meals and sustainability of service for all older adults 60 years of age and older vulnerable to COVID-19 and residing in the City of Santa Cruz. Funding will allow the expansion of home-delivered meals to City of Santa Cruz seniors, two shelf-stable meals for Saturdays and Sundays to homeless seniors, to purchase additional home-delivered meals as well as increase the output of meals to two-daily meals a day. MOW will seek to serve nearly 500 participants. National Objective: LMC- presumed benefit seniors Matrix Code: 5A Senior Services
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	500 senior adults
	Location Description	City-wide
	Planned Activities	Food preparation and delivery.

18	Project Name	CDBG-CV Santa Cruz Community Farmer's Market - Market Match
	Target Area	
	Goals Supported	Provide community and supportive services

Needs Addressed	Community Services and Youth Programs
Funding	CDBG: \$30,000
Description	In response to the economic impacts of COVID-19 and the demand for fresh healthy foods, this program will provide additional food to those income eligible for SNAP benefits at local Farmers Markets. This will provide additional fresh food serving approximately 4000 participants. National Objective: LMC Matrix Code: 5W Food Banks
Target Date	6/30/2021
Estimate the number and type of families that will benefit from the proposed activities	4000 extremely low income persons
Location Description	Downtown and Westside Farmers Markets
Planned Activities	Confirmation of eligibility and food distribution for extremely low income residents.

19	Project Name	CDBG-CV Second Harvest Food Bank
	Target Area	NRSA and City-wide
	Goals Supported	Provide community and supportive services
	Needs Addressed	Community Services and Youth Programs
	Funding	CDBG: \$51,648.00
	Description	The ability to ensure basic healthy foods reach those in need in the City of Santa Cruz has been impacted by COVID-19. Since March 2020, Second Harvest Food Bank has recognized the rippling impact of COVID-19. During the countywide Shelter-in-Place order there was a tripling of the number of people attending food bank distributions and a ten-fold increase in the number of calls to the community food hotline. These distributions are serving roughly 25,000 people needing food assistance county-wide with a large portion residing within the City of Santa Cruz, including newly unemployed and furloughed residents. National Objective: LMC Matrix Code: 5W Food Banks

Target Date	6/30/2021
Estimate the number and type of families that will benefit from the proposed activities	25,000 low income persons
Location Description	Beach flats food pickup as main distribution and citywide in food pantries all over the City
Planned Activities	Food distribution at location within NRSA and at foodbanks throughout the City of Santa Cruz.

20	Project Name	CDBG-CV Program Administration
	Target Area	None
	Goals Supported	None
	Needs Addressed	Planning and Administration
	Funding	CDBG-CV: \$70,692.00
	Description	Administration funding would partially support 4 staff persons, training and other expenses incurred for operation of the CDBG and HOME Programs and related consultant contracts. Matrix Code: 21A -General Program Admin
	Target Date	6/30/2021
	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-CV Programs.	

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. Note: When compiling data for the entire City, all tracts can be combined to create an area with an average greater than 51% Low Income neighborhoods. But, that would include some higher income neighborhoods that we would want to leave out to better target low-income neighborhoods.

Level 2 Target Area: Neighborhood Revitalization Strategy Area (NRSA): In the 2017 PY, the Lower Ocean and Beach/South of Laurel Neighborhood Revitalization Strategy Area (NRSA) was updated for another 5 year period. The NRSA neighborhoods continue to have the lowest incomes in the City. Over 30% of NRSA households are at or below poverty level, which is about twice as high the City as a whole. The NRSA is also home to highest concentration of Hispanic residents (46% versus 17% city-wide). Additionally although the NRSA only occupies about 3% of the City’s total land area, about 40% of crime outside of the Downtown occurs in the NRSA which includes gang related activities.

Notes for percentages shown in the Geographic Distribution table below:

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

(2) Duplication may occur: For example any funds spent in the NRSA may also be spent in the or the Low Income Target Areas.

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

Table 56 - Geographic Distribution

Target Area	Percentage of Funds
Neighborhood Revitalization Strategy Area	25
Low Income Target Area	50

Rationale for the priorities for allocating investments geographically

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

Discussion

See discussion above.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Due to the limited amount that the City receives in HOME and CDBG funds, it is difficult to fund larger new housing developments. Though, HOME funds can be leveraged with other City housing trust funds and state and private grants to make projects more feasible. The City plans to utilize HOME funds to support its authorized housing activities, including the Security Deposit Program and to fund a small portion of larger housing projects such as the Metro Project, Library Mixed Use Project or the Jessie St. Project. Since the larger projects are not anticipated to have funding commitments in the upcoming Program Year, they are left out of the table below. Also in support of housing programs, CDBG funds will be used to provide program delivery costs for the Security Deposit Program and the City's Unified Housing Rehabilitation Program (UHRP).

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

One Year Goals for the Number of Households to be Supported	
Homeless	10
Non-Homeless	50
Special-Needs	0
Total	60

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

One Year Goals for the Number of Households Supported Through	
Rental Assistance	60
The Production of New Units	1
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	51

Discussion

See above.

AP-60 Public Housing – 91.220(h)

Introduction

The Housing Authority of Santa Cruz County (HA) is not a department of the City of Santa Cruz. However 3 Public Housing projects owned by the HA are located in the City. There is a total 234 Public Housing units in the County. There are over 5,000 vouchers administered by the Housing Authority; approximately 20%, are within the City of Santa Cruz, with 6% in the County of San Benito and the remainder 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 development of affordable housing. The HA, which oversees all Public Housing in the County, has been approved for Section 22 Streamlined Voluntary Conversion (SVC) of Public Housing to Tenant Protection Vouchers (TPV). The conversion will benefit the tenants, the HA and the community. The tenants will benefit by both stability and mobility: they can remain in their units with affordable rent or move with the voucher to an area of their choice. The community will benefit by the retention of affordable housing units with a more appropriate funding stream. The current 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. SVC and the resulting TPV funding will solve this. The focus of the Housing Authority is to expand its affordable housing.

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. The Housing Authority is increasing its Project Based Voucher stock with 45 of the units within the City of Santa Cruz, and an additional 151 units in the greater county.

The Housing Authority is working with the City in 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. 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 provides the Family Self-Sufficiency Program (FSS) which incentivizes families with HCV or public housing to increase their income and develop financial security. Called Housing Plus, the program is designed to help families gain job skills, education, better employment and financial education. Participants develop a Contract of Participation with the Housing Authority that outlines their goals and plans toward self-sufficiency. As the family's income increases, their share of rent increases, and the Housing Authority sets aside funds in an account for the family. The family has five years to complete their plan and receive their funds. Graduating and receiving their money doesn't mean families have to give-up their rental assistance. Graduation occurs when the head of household has met the contract goals, is employed or actively seeking employment, and the entire family is welfare-free for 12 months.

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 Assessment.

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

The most immediate need for residents holding housing choice voucher is for market rate rents to stabilize. Currently rental rates in Santa Cruz County are rising at such a degree that some tenants are losing their housing because of rent increases. For those searching for housing, it is difficult to find available units that fit the limits of the Housing Choice Voucher.

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 2020-2025 Consolidated Plan.

Currently the Housing Matters campus is one of the key centers for services to homeless within the City of Santa Cruz. CCBG funds in the amount of \$460,957 are being recommended for renovations to the Housing Matters hygiene bay, critically needed to provide toilets and showers for sheltered and unsheltered homeless persons. In addition, \$35,128 is recommended for homeless service coordination needed to meet community recommendations and to respond effectively to the homelessness crisis acutely felt in the City.

\$100,000 in HOME funds, matched by \$11,000 in Red Cross funds are being recommended for security deposits, although only a portion is set aside for homeless, this funded is needed to prevent homelessness and assist homeless person to move into permanent housing. So, the funds not set aside for the homeless will help in homelessness prevention.

In addition, the City is committed to providing substantial funding to support and sustain increased homeless outreach services, a mobile mental health and police partnership program, and the Downtown Streets Team outreach and jobs programs.

Finally, the City is committed to collaborating with the County and CoC to implement our CoC system and secure State and other funds to continue supporting a range critically needed emergency service interventions and infrastructure investments in support of our three-phased transition from a temporary managed campground, to an interim 1-2 year homeless shelter, to a permanent Navigation Center shelter.

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 Housing Matters, Salvation Army, and other homelessness assistance programs, which includes case management of individuals or families to help assess and provide for their needs. In addition, the City has the following programs that provide outreach in the City's Downtown.

- ☐ **Downtown Outreach Team** engages homeless individuals in the City's downtown and connects them to needed resources such as mental health or substance abuse treatment, social services, physical health services, financial benefits, transportation, meals, emergency shelter and longer term housing. The goal is to reduce the need for criminal justice involvement and psychiatric

hospitalization, and assist individuals in making the transition out of homelessness.

- ② **H.E.R.O.: The Homeless Engagement Resources Officers** links two police officers with the County's Homeless Outreach, Proactive Engagement Services (HOPES) Team, to better engage homeless people on the streets and connect them with appropriate behavioral health and other services.
- ② **Downtown Street Team** – contacts homeless persons and engages them in cleanups, beautification projects, weeding, maintenance, encampment/dumping cleanup across the City and in parks and open space, and support services in public garages as well as public restrooms, and hygiene and storage facilities.

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

The City will continue funding agencies providing 301 year round shelter beds. These include:

ORGANIZATION/PROGRAM	BEDS	SUBPOPULATION SERVED
▪ Rebele Family Shelter	90	Families with children
▪ Paul Lee Loft Shelter	40	Adult men and women
▪ Recuperative Care center	12	Adult men and women
Encompass Community Services		
▪ River Street Shelter	32	Adults mostly with mental illness
Association of Faith Communities		
• Rotating Shelter Program	20	Adults and families
Jesus Mary and Joseph Home		
• Jesus Mary and Joseph Home	12	Families and terminally ill adults
Front Street, Inc.		
• Paget Center	12	Veteran adults
Monarch Services		
• Mariposa House DV Shelter	18	Families fleeing DV
Salvation Army		
• Laurel Street Shelter	55	Single adults and families
Siena House		
• Emergency Shelter	10	Pregnant Women
TOTAL	301	

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

The City is an active participant in the County's CoC, Homeless Action Partnership (HAP), which meets regularly to plan and implement strategies to assist all homeless populations to become permanently housed and independent, and tracking progress toward shortened periods of homelessness, increased

access to permanent housing, and preventing homelessness recidivism. In addition, the City has a seat on the HAP Governance Board, which makes key policy and funding decisions for competitive CoC, ESG, and State funding programs, and on the HAP Executive Committee, which coordinates homelessness collaboration and funding among County departments and Cities.

Key objectives the City intends to support include:

- Participate in allocating CoC, ESG, and State funding sources toward their best uses in helping members of all populations to become permanently housing and independent; this includes prioritizing permanent supportive housing and rapid re-housing for significant funding.
- Take part in Focus Strategies-led planning efforts to assess and redesign the homelessness crisis response system to make it more effective for all populations.
- Continue to support the development of the Smart CES as a means to improve system performance, better housing placements, and fairness.
- Support County and affordable housing provider efforts to develop a broad range of new and innovative housing options for persons experiencing homelessness.
- Support the HAP's effort to implement Housing First and Harm Reduction service approaches.
- Promote rapid rehousing strategies by making available security deposit funds to help people move into housing.
- Participate with the County and other Cities in funding a share of costs for CoC consulting, the biennial point-in-time study of homelessness, HMIS costs, CES costs, and strategic planning costs.

- **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.**

As stated in *All In* strategic homelessness plan, “Reducing and eventually ending homelessness will require a more streamlined and targeted crisis response system that quickly and compassionately assesses a household’s needs and provides tailored resources for persons in crisis. We can achieve this goal by better assessing people’s need and barriers; targeting prevention and diversion resources to those most at risk of entering shelter....” With this mind, Key objectives the City intends to support include:

- ☐ Target prevention resources to those most at risk of entering the shelter system.
- ☐ Continue Emergency Housing Assistance through The Shelter Program under the Community Action Board with funding from the City’s General Fund.
- ☐ Address the All In strategies regarding at risk seniors by developing a pilot program to help at risk senior homeowners remain in their homes through a combination of rehab and accessory dwelling unit development in partnership with Habitat for Humanity.
- ☐ Support County and HAP efforts around developing and implementing a problem-solving diversion approach linked to the Smart Path CES.
- ☐ Support County and HAP efforts around conducting an introduction to diversion training for providers and other interested stakeholders.
- ☐ Promote prevention programs by making available security deposit funds to help people who have been evicted move into new housing.

Discussion

See discussions above.

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

Introduction:

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

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

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

Lack of Affordable Housing Funding and Cost of Development: The City has a few sources of funding for affordable housing including 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 the amount of affordable housing that is needed so these funds must be heavily leveraged. In 2018 and 2019, the City worked with the State Legislature to free up approximately \$16 million in former Redevelopment Agency funds that the City holds, but is restricted from using since Redevelopment Agencies were dismantled. The City worked with Assembly member Mark Stone on Assembly Bill 411, which would have released the City's bond funds to be used for affordable housing. Even though the bill passed both houses of the California State Legislature, AB 411 was vetoed by Governor Newsom and the City lost this gap funding that is critical to making affordable housing development feasible. Without the ability to significantly increase these funding sources, the City's strategy to address this barrier is to encourage development of housing through development incentives or developer requirements to provide affordable inclusionary housing and applying for State and private funding that can be used for the purpose of developing affordable housing. The following activities will be pursued under the 2020-2021 Action Plan.

- Work with developers to encourage affordable housing development under the inclusionary housing ordinance and density bonus ordinance.
- Work with developers to encourage affordable housing development under the recently passed AB 1763, AB 2372, and AB 2162.
- Encourage owners/developers to accept Section 8 tenant vouchers through the Santa Cruz County Housing Authority's Landlord Incentive Program and a potential Section 8 amendment to the City's inclusionary housing ordinance that the City is currently exploring.
- Partner with an affordable housing developer to apply for Apple Tech funding and State HCD Transit-oriented Development Program funding that can be used to develop affordable housing on

the parcels that the City has assembled near the Santa Cruz Metro transit station in the City's downtown.

- Apply for State HCD Permanent Local Housing Allocation Program funding and State HCD Local Housing Trust Fund Program funding to utilize the funding for affordable housing development at sites that the City has identified for affordable housing.
- To be in conformance, align the City's ADU ordinance with the recently passed State legislation on ADUs.
- Continue to encourage the development of new ADUs through the City's ADU program by offering a reduction in ADU permitting fees in exchange for an affordability covenant on the ADU.
- Consider making the My House My Home ADU pilot program, specifically tailored to seniors, a permanent program.
- Streamline the permit process and make it more transparent in accordance with the recently passed SB 330, AB 1485 and AB 2782.

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 has a Fee Waiver Program for affordable housing development that developers can utilize with City Council approval. In addition, the City has a Fee Deferral Program that developers have found beneficial when paired with 4% affordable housing tax credit financing.

Zoning, Permit and Processing Procedures: The Planning Department is continuing to improve and streamline its permitting and processing procedures. Through an SB 2 grant, the City is working to streamline the permit process and make it more transparent in accordance with the recently passed SB 330, AB 1485 and AB 2782. Economic Development staff also helps facilitate affordable housing development projects through the City's process when possible. In 2017, the City's Downtown Plan was updated to facilitate project streamlining for substantial residential density and mixed use in the downtown. Through private land dedications and purchase and sale transfers, the City has been assembling parcels in the Downtown Plan Area for the primary purpose of building affordable housing. The new zoning allowed per the City's Downtown Plan is making it feasible to develop affordable housing so the City is working on several potential sites to develop affordable housing in the Downtown Plan Area.

Discussion:

See above.

AP-85 Other Actions – 91.220(k)

Introduction:

This section reports additional efforts the City will undertake during the 2020-2021 program year to address residents' housing and community development needs.

Actions planned to address obstacles to meeting underserved needs

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

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

Actions planned to foster and maintain affordable housing

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

- Pacific Station Mixed Use Development. Santa Cruz METRO and the City of Santa Cruz are partnering to redesign the transit center at Pacific Station with the potential of developing a multi-story building including the potential of around 100 units of new housing, a portion of which will provide new affordable housing units.
- Zoning of Transportation Corridors. The City's Planning Department is in the process of amending the City's zoning ordinance to allow higher densities along the City's main transit corridors.
- Inclusionary Housing Ordinance. The ordinance requires developers of market rate ownership housing to include affordable ownership units. In 2019, the City revised its inclusionary housing ordinance to increase the affordability requirement from 15% to 20%. With analysis of whether this impedes housing development, the City may have to revise this ordinance in the 2020 Program year.
- 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.

Actions planned to reduce lead-based paint hazards

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

Actions planned to reduce the number of poverty-level families

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

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

Actions planned to develop institutional structure

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

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

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

In the 2020-2021 Program Year, the City will also continue to focus CDBG funding on providing services and upgrading infrastructure needs in the Target Areas. The City has a close working relationship with those providers funded both with CDBG and the City's General Fund.

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

Discussion:

The majority of the City of Santa Cruz's activities furthering the goals of the Consolidated Plan are provided by community agency partners. This will continue to be the case in the 2020-2021 Program Year.

Program Specific Requirements

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

Introduction:

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

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

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

Other CDBG Requirements

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

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

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

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

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

Rental Housing Development or Rehabilitation Projects

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

First Time Homebuyer Loan Repayment

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

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

Homeowner Rehabilitation Loan Repayment

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

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

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

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

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

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

Discussion:

See above