



2019 CAPER

Consolidated Annual Performance and Evaluation Report

(CAPER)

For the 2019-2020 Action Plan Program Year

Covering the Reporting Period of July 1, 2019 to June 30, 2020

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

Achievements toward meeting four Consolidated Plan goals in the 2019 Program Year (PY) include:

Affordable Housing: During the PY construction was completed on the 41 unit affordable project located at 708-718 Water Street. Habitat for Humanity also completed construction of one affordable accessory dwelling unit (ADU) under the My House My Home (MHMH) Program to help low income senior homeowners remain in their homes by increasing their income through building an affordable rental unit. Under the City's Security Deposit Program, 60 households obtained housing, 20 of whom were homeless. Under the Emergency Housing Program, 6 households facing eviction received rental assistance using limited City resources from the Red Cross Housing Reconstruction Loan Repayment Fund (Red Cross funding). Code Enforcement funding continued to be used to help preserve the City's aging housing stock. A total of 73 cases were closed during the PY.

Community Facilities:

Infrastructure:

Homelessness: The 2014 homelessness strategic plan, called All In - Toward A Home For Every County Resident, continued to guide a coordinated regional approach to providing services for homeless persons. Also, the City of Santa Cruz continued implementing the Final Report and Recommendations of the City Council's Homeless Coordinating Committee (Final Report). The Final Report is aligned with All In, while addressing issues unique to Santa Cruz. And, City staff remained engaged in the Continuum of Care (CoC) Homeless Action Partnership (HAP) - on the HAP Governance Board, Executive Committee, HMIS Committee, Smart Path Coordinated Entry System (CES) Steering Committee, and Community Stakeholder sessions for the \$9.7 million California Homeless Emergency Aid Program (HEAP) and \$989 thousand California Emergency Solutions and Housing (CESH) program. Once again, in PY 2019, the City continued to commit CDBG, HOME, and Red Cross funding toward key programs preventing and addressing homelessness, including the City's Security Deposit Program that is managed by the Housing Authority of Santa Cruz County (Housing Authority). In addition, the City committed substantial general funds (some through the CORE Investments Program collaboration with the County) to fourteen programs that assist the homeless, including the Community Action Board's (CAB) Rental Assistance Program, Encompass Community Services (ECS) Housing Pathways Program, Families in Transition (FIT) Family Housing Stabilization Program, the Homeless Garden Project, the Homeless Services Center (HSC), Smart Path Coordinated Entry System (CES), Mental Health Liaison Program (MOST) Team, Homeless Outreach, Proactive Engagement, and Services (HOPES) Team, Downtown Streets Team, Winter Shelter Program, and CoC planning activities. The City also made considerable progress toward Final Report goals through direct investments in opening the River Street structured homeless encampment, increased hygiene services through a contract with HSC, receiving the final report from the Community Advisory Committee on Homelessness (CACH), and moving toward a regional navigation center in partnership with the County of Santa Cruz (County).

Community Services are funded through the City's Community Programs primarily using over \$1 million in City general funds. CDBG funds continued to be used for operating costs for Nueva Vista

Resource Center, which is the primary service provider for the Latino community and the Teen Center, which is operated by the City of Santa Cruz Department of Parks and Recreation. Nueva Vista Resource Center is a Community Based Development Organization (CBDO) that provides client services and youth programs at the Nueva Vista Center in Lower Ocean and the Beach Flats Community Center, respectively. The Teen Center provides a safe environment for teens at the Loudon Nelson Community Center.

Table 1 - Accomplishments - Program Year

Goal	Category	Funding		Outcome					
				Indicator	Expected	Actual	Unit of Measure	Percent complete	
Increase and preserve affordable housing.	Affordable Housing			Rental units constructed	2	1	Household Housing Unit	50 %	
		Source	Amount	Homeowner Housing Added	0	0	Household Housing Unit	0.00 %	
		Competitive McKinney-Vento Homeless Assistance Act	\$0.00	Tenant-based rental assistance / Rapid Rehousing (Security Deposit Program)	20	48	Households Assisted	240	
		General Fund	\$37,875.00	Homelessness Prevention (Emergency Assistance Program)	20	6	Persons Assisted	30 %	
				Housing Code Enforcement/Foreclosed Property Care	50	60	Household Housing Unit	120 %	
Provide community and supportive services.	Non-Housing Community Development	Source	Amount	Indicator	Expected	Actual	Unit of Measure	Percent complete	
		Red Cross Funds	\$25,000.00	Public service activities other than Low/Moderate Income Housing Benefit	53000	887	Persons Assisted	2 %	
Support County-wide Homeless Strategic Plan.	Homeless	Source	Amount	Indicator	Expected	Actual	Unit of Measure	Percent complete	
		Competitive McKinney-Vento Homeless Assistance Act	\$1,332,195	Public service activities other than Low/Moderate Income Housing Benefit	2071	827	Persons Assisted	41.35 %	
				Homeless Person Overnight Shelter	100	176	Persons Assisted	176.00 %	

Table 2 - Accomplishments - Strategic Plan to Date

Goal	Category	Funding		Outcome				
Increase and preserve affordable housing.	Affordable Housing			Indicator	Expected	Actual	Unit of Measure	Percent complete
				Source	Amount	Rental units constructed	125	97
		CDBG	\$627,500.00	Rental units rehabilitated	5	0	Household Housing Unit	0 %
		HOME	\$1,384,670.00	Homeowner Housing Added	5	0	Household Housing Unit	0 %
		LIHTC	\$2,000,000.00	Tenant-based rental assistance / Rapid Rehousing	200	187	Households Assisted	94 %
		Tax Exempt Bond Proceeds	\$4,000,000.00	Homelessness Prevention	0	30	Persons Assisted	0 %
		Other	\$100,000.00	Housing Code Enforcement/Foreclosed Property Care	250	224	Household Housing Unit	90 %
		Other	\$55,000.00					
		Other	\$1,000,000.00					
		Provide community and supportive services.	Non-Housing Community Development			Indicator	Expected	Actual
Source	Amount					Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	5250	8451
CDBG	\$675,000.00			Public service activities other than Low/Moderate Income Housing Benefit	5250	10999	Persons Assisted	209.50 %
General Fund	\$4,000,000.00			Homeless Person Overnight Shelter	1000	173	Persons Assisted	17.30 %

Revitalize community facilities & infrastructure.	Non-Homeless Special Needs Non-Housing Community Development			Indicator	Expected	Actual	Unit of Measure	Percent complete
		Source	Amount	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	5250	8451	Persons Assisted	160.97 %
		CDBG	\$682,500.00	Public service activities other than Low/Moderate Income Housing Benefit	5250	10999	Persons Assisted	209.50 %
Support County-wide Homeless Strategic Plan.	Homeless			Indicator	Expected	Actual	Unit of Measure	Percent complete
		Source	Amount	Public service activities other than Low/Moderate Income Housing Benefit	3000	2966	Persons Assisted	99 %
		CDBG	\$75,000.00	Homeless Person Overnight Shelter	2800	1396	Persons Assisted	50 %
		General Fund	\$1,808,000.00					

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

Geographic Priority: In 2017, the City established the Lower Ocean/Downtown/River/NRSA. The area covered by the NRSA is one of the areas 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. CDBG funding for operational funding for the Nueva Vista Resource Center and the Teen Center was provided for the area during the 2019 PY. It is through Nueva Vista that the City does much of its outreach to help the minority Hispanic community. Nueva Vista has a center in the Lower Ocean Street neighborhood as well as the Beach Flats Neighborhood Center. In addition, although the Code Enforcement Target Area (CETA) Program serves other low-income areas, the primary focus and most staff time was actually spent in the NRSA. More than half of the 24 multi-agency projects were located in the NRSA.

Community Facilities and Infrastructure: Funding was awarded for the Housing Matters sewer line project

Priority Goal- Increase and Preserve Affordable Housing: One of the highest needs and priorities in the City is affordable housing. During the 2017 PY (December 5, 2017), the City Council formed a sub-committee that engaged with the community through a series of 16 gatherings, events, and meetings to talk about the housing situation in the City of Santa Cruz which culminated in a community event that included facilitated staff presentations on varying topics and staffed booths both providing information to the public as well as asking for their input on these policies. On June 12, 2018, the Committee made a series of recommendations which were then adopted by the full City Council. During 2019 PY, City staff continued to implement the City Council's direction through such efforts as updating the Density Bonus and Inclusionary ordinances plus the ADU ordinance. During the 2019 PY, the Santa Cruz City Council (City Council) opted to increase the Inclusionary requirement from 15% to 20% of all new residential development. The ADU ordinance update was done to comply with State Law and researching additional ways to make ADU development more affordable. CDBG as well as HOME Program funds continued to be used to create 41 new units of affordable housing. In addition to the CETA Program, which helps preserve the City's aging housing stock through code enforcement action, CDBG funds were also used to fund administrative costs for the the Unified Housing Rehabilitation Program (UHRP). HOME Program funds are allocated to provide security deposits and cover administrative costs as well as helping to fund rehabilitation under these two programs.

Priority Goal- Support County-wide Homeless Strategic Plan: In PY 2019, the City committed funding to further its ability to help meet the priorities and objectives of both the All In county-wide homeless strategic plan and the complementary Final Report and Recommendations of the City Council's Homeless Coordinating Committee. \$12,500 in CDBG funds, \$50,000 in HOME funds, and \$11,000 in Red Cross funds were awarded to the Housing Authority Security Deposit Program. \$227,000 in City general funding (matched by County funds) was awarded through the collaborative CORE Investments program to a range of All In and Final Report priority programs, including the CAB Rental Assistance

Program, ECS Housing Pathways Program, FIT Family Housing Stabilization Program, Homeless Garden Project Employment Services, HSC 180/2020 Housing Placement and Services Program, and Smart Path CES. And, additional general funds were budgeted for critical programs as follows: \$35,000 for Homeward Bound, \$100,000 for the Downtown Streets Team, \$495,000 for outreach services (includes Downtown Outreach Team, HOPES, and MOST); \$100,000 for expanded shelter; \$30,000 toward hygiene services expansion; \$50,000 for other recommendations in the Final Report; and \$215,688 in contributions toward regional solutions through the HAP CoC, including the Emergency Winter Shelter Program. All told, the City committed more than \$1.3 million for homeless services in PY 2019.

City Priority- Youth Services: Although not specifically spelled out as a separate goal in the Consolidated Plan, youth services have been identified as an overall priority for the City. Over \$380,000 in City funds, or 26% of City funding for service providers, were allocated to youth programs. CDBG funds are being used to fund operating costs for both the Teen Center program and the Beach Flats Community Center youth program under Nueva Vista.

Explanation of City progress - Year 4 goals and objectives

1. INCREASE AND PRESERVATION OF HOUSING. Overall the City is successfully progressing toward meeting its 5 year housing goals but fell short in meeting several specific targeted outcomes for the 2019 PY. The Security Deposit/Tenant Based Rental Assistance/Rapid Rehousing was expected to assist 50 households and 60 were helped. This is a increase of 12 households over the prior 2018 PY in which 48 households were helped. The City continued to fund the Landlord Incentive Program wich is a program in partnership with the Housing Authroity. This program was created to encourage more landlords to accept Section 8 vouchers. For Homeless Prevention, the City's Emergency Housing Assistance Program (Homeless Prevention), which is operated by the Community Action Board, was expected to assist about 20 households but only 6 households were helped, again falling short of the goal. Unfortunately there was insufficient funding to meet original goal. This Program was previously funded by the City's Redevelopment Agency (RDA). With statewide termination of all RDAs in 2011, funding for this program has been limited to a small amount (\$11,000) of Red Cross funding. Code Enforcement is the City's primary Housing Preservation vehicle. In this case, the City exceeded the goal of improving 50 houses/properties with 58 cases being opened and 73 cases being closed. For new rental housing, construction continued on the new the Water Street Affordable Housing Project. In addition, under the MHMH Program one new affordable ADU completed construction.

2. COMMUNITY FACILITIES AND INFRASTRUCTURE. Funding was awarded for the Housing Matters sewer line project, but that project was stalled due to lack of capacity for CDBG procurement and project management at Housing Matters. The City has taken over that project to move it forward. Overall, we would like to support external projects with additional guidance so that the complexity of the funding regulations don't cause similar delays in the future.

3. SUPPORT COUNTY-WIDE STRATEGIC PLAN. Due to a continual decline in funding that is available for many homeless services previously provided in the City of Santa Cruz, trying to meet homeless needs and City goals continued to be challenging in the 2019 PY. As a result, the original goals for the 48 bed Paul Lee Loft on the HSC campus have been modified to focused more on those who were on a path to finding permanent housing, and for the Homeless Services Centers. This change of focus, is also reflected in reduced services at the day services. However, on the HSC campus the City continues to help support transitional housing at the Rebele Family Center, transitional housing for individuals at Page Smith Community House which includes Recouperative Care beds, and 37 shelter beds at the Riverstreet Shelter which is operated by Encompass Community Services. Also on the positive side, progress on the All In Plan continued to move forward. In partnership with all other north county jurisdictions the City continued to support implementation of the ALL IN Plan goals. The system was also challenged by a lack of available Winter Shelter beds in the 2019 PY. The City worked to provide alternative shelters with partner agencies. However, the available services did not meet the need in the area and the City continues to see this discrepancy with homeless camps emerging in different areas throughout the City.

4. PROVIDE COMMUNITY AND SUPPORTIVE SERVICES. Community services assisted with CDBG funding met their 2019 PY goals.

It should be noted that the Homeless Person Overnight Shelter beds numbers above are likely much under

reported. A new emergency shelter on River St. opened in PY 2018 but did not retain numbers, and over the course of the last several years, the Winter Warming Shelter has not submitted its numbers.

CR-10 - Racial and Ethnic composition of families assisted

**Describe the families assisted (including the racial and ethnic status of families assisted).
91.520(a)**

During the 2019 PY, CDBG and HOME Program funds were used for programs and projects primarily benefiting low and very low income households. The Table below includes data from all CDBG activities.

The racial and ethnic status of households that were assisted at the Teen Center and Nueva Vista generally do not reflect the overall population of the City of Santa Cruz. According to US census data, about 75% of the City’s population self classifies itself as racially “White”. The next highest racial group is Asian, representing 8% of the population. Blacks or African Americans represent 2 % of the population. The racial mix of those served by CDBG and HOME funded programs are predominantly “Other Multi Racial” at 68% with the next highest group identifying as White at 25%. Of those responding, about 75% also identified as Hispanic. Asians are underrepresented at less than 1%.

The ethnic mix in the City of Santa Cruz shows that 19% of the City’s population considers themselves to be Hispanic. Proportionally, CDBG and HOME Programs serve a higher percentage, with 75% of these receiving benefits being ethnically Hispanic. This is not surprising since the highest concentration of the City’s Hispanic population is located within the NRSA, which is served by Nueva Vista which operates two centers funded by CDBG.

Missing in the IDIS table, and shown below, 716 households identified as Other Multi Racial, and 9 households identified as Black/African American and White.

Total	CDBG	HOME
Race:		
White	214	45
Black or African American	21	8
Asian	13	0
American Indian or American Native	12	4
Native Hawaiian or Other Pacific Islander	4	5
Black/African American & White:	9	0
Other Multi-Racial:	716	0
Total	989	62

Ethnicity		
Hispanic	763	22
Not Hispanic	226	40

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

The Table shows resources expected to be made available as well as funds expended in support of the Plan over the 2019 PY.

For Community Services and Programs, in addition to the funds shown in the Table, the City also expended over \$1.6 million in General Funds during the 2019 PY to assist the City in addressing homelessness and community development needs. Homeless programs receive the greatest percentage of this funding (28%) followed by youth programs at 26%. The latter category includes General Funds used for the Teen Center. CDBG and City Red Cross funds (\$25,000) were also used for community programs and homeless services bringing the total amount to over \$1.45 million used for community programs.

Identify the resources made available.

Source of Funds	Resources Made Available	Amount Expended During Program Year Program Year 2019
CDBG	971359	580978
HOME		
Competitive McKinney-Vento Homeless Assistance Act	1332195	618543
General Fund	2301912	1998254
LIHTC	6500000	6500000
Tax Exempt Bond Proceeds	1300000	1300000
Other	1300000	1300000

Identify the geographic distribution and location of investments.

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Neighborhood Revitalization Strategy Area	33	35	Includes Nueva Vista programs, 50% Teen Center, and 80% CETA activity.
Code Enforcement Target Areas	18	17	Includes CETA Program activities only.
Low Income Target Area	49	48	Includes all community services and CDBG funded projects.

Geographical distribution percentages are about what were expected. It's important to note that the reason that a low percentage is shown in the NRSA is because this represents a combination of CDBG and HOME Program funds. Since good fair housing practices encourage distribution of low income housing throughout the City, our affordable housing projects are typically not located in our low income areas. This is true of the Water Street Affordable Housing Project.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

A total of \$1.4 million in HOME Program funds and over \$300,000 in CDBG funds were allocated for the development of a 41 unit project to be located at 708-718 Water Street over the last several years. This multi-family 100% affordable housing project completed construction during the 2019 PY. The project was occupied by October 2019. The City also committed and expended over \$1.3 million from both former Redevelopment Agency Bond Proceeds and the City's Affordable Housing Trust Fund (AHTF) for a total of \$2.6 million. Most of this funding, along with CDBG funding, was used for purchase of land for the project. The Project cost a total of over \$18 million, ultimately leveraging the HOME Program funding 18 times. HOME Match was contributed in the 2019 Federal Fiscal year, and was comprised of fee waivers for a 100% permanently affordable ADU built by Habitat for Humanity. The fee waiver did not cover the full MATCH obligation but there is sufficient excess match (over \$11 million) from prior years to meet this year's Match obligation of \$74,000.

Other HOME Program funding was used for the City's Security Deposit Program. A total of \$62,500 was used for the Security Deposit Program which included about \$12,500 in CDBG funds for program delivery costs, \$50,000 in HOME funds for the security deposits. In addition, \$11,000 in City Red Cross Funds helped fund security deposits primarily in the NRSA. HOME Program funds were leveraged 1.36 times.

The CDBG Program invested \$150,000 in Public Services and \$28,000 in program delivery costs for the

City's Security Deposit program and UHRP. This funding was leveraged by about \$620,000 in other City funds, leveraging the CDBG Program funding over four times. Code Enforcement in the Target Areas was leveraged about 1.82 times by other City funding.

In addition to receiving CDBG operational funding, the Teen Center Program and the Beach Flats Community Center are located in a City owned facilities.

Missing the HOME table

HOME MBE/WBE Report

Program Income - Enter the program income amounts for the reporting period

Balance on hand at beginning of reporting period	Amount received during reporting period	Total amount expended during reporting period	Amount expended for TBRA	Balance on hand at end of reporting period
\$ 4,760	\$ 83,757	\$ 38,700	\$ 14,335	\$ 35,482

Table 1 – Minority Business and Women Business Enterprises

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	0	0	0	0	0	0
Number	0	0	0	0	0	0
Sub-Contracts						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	0	0	0			
Number	0	0	0			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	0	0	0			

Table 2 – Minority Owners of Rental Property

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted

	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0

Table 3 – Relocation and Real Property Acquisition

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition

Parcels Acquired		0	0			
Businesses Displaced		0	0			
Nonprofit Organizations Displaced		0	0			
Households Temporarily Relocated, not Displaced		0	0			
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of homeless to be provided affordable housing units	10	15
Number of non-homeless to be provided affordable housing units	86	33
Number of special-needs to be provided affordable housing units	0	0
Total	55	48

Number of households supported through:	One-Year Goal	Actual
Rental Assistance	55	48
The Production of New Units	41	0
Rehab of Existing Units	0	0
Acquisition of Existing Units	0	0
Total	96	48

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

As noted in previous CAPERs, there was an expectation that the Water Street Affordable Housing Project would be under construction or completed in the 2016 PY. The project is is completed. One ADU completed construction under the City's My House My Home program which helps senior home owners to build an ADU on their property so that they can age in place. This project received HOME, City AHTF and Habitat for Humanity funding.

The 2019-2020 Action Plan also allocated \$100,000 of HOME Program funds for the City's Security Deposit Program. This amount plus \$11,000 from the City's Red Cross funding was estimated to be able

to assist 55 households. However, the Housing Authority, who administers the program, has anticipated in this and prior years that because of area high rents, few units were expected to be available that would be affordable to a low income household or where Section 8 vouchers are accepted by landlords. This was expected to reduce the demand for the Security Deposit Program in the 2019 PY. However in March of 2020 all funds were expended for the program. Rather than reduce demand, the demand has continued with the cost per security deposit rising in accordance with the rising rents. A total of 48 households were assisted, of this number 39 were assisted with HOME funds and 9 with Red Cross funds. It was also expected that at least 10 of these households would be formerly homeless because of the programs link with the regional 180/2020 Campaign which assists homeless persons find permanent housing. This number was also higher than expected with 15 homeless households receiving security deposits. The City also funds a portion of a regional Landlord Incentive Program with City AHTF dollars to help with costs from damages to units not covered by security deposits for Section 8 tenants. This program, which is administered by the Housing Authority, is designed to help incentivize landlords to accept Section 8 vouchers and lower their perceived risk.

Although the City works with developers to leverage its limited housing funds to the maximum extent possible, it is not possible to achieve the ultimate goal of ensuring affordable housing for all residents. The latest (2017) census data indicates that 30% of renters and 11% of homeowners are severely burdened, paying more than 50% of their household income toward housing costs.

The City protects its older housing stock through code enforcement and rental housing quality through a Rental Inspection Program where every rental unit in the City is inspected at least every three years. The City has also supported older affordable housing projects by supporting the owner's application for rehabilitation Tax-Exempt Revenue Bonds from the California Public Finance Authority (CalPFA) The two projects assisted were the Riverfront Apartments at 148 Blaine St. and Casa del Rio Apartments at 170 Blaine St. There was not cost to the City to provide this support for the application.

Discuss how these outcomes will impact future annual action plans.

The City will continue to monitor the Security Deposit Program Activities and will discuss a possible outreach plan with the Housing Authority if the current trend continues. As part of seeing the increasing rents in Santa Cruz result in higher Security Deposits during the 2018 Program Year, the City of Santa Cruz increased HOME funding for the 2019 Program Year to \$100,000 and has increased this level of funding into the 2020 Program Year (\$125,000 in HOME funding). Other outcome differences are a result of project delays and should not affect outcomes over the 5 year Consolidated Plan timeframe. The City might also consider modifying the MHMH program to facilitate ongoing use of HOME Program funds. Habitat for Humanity, who operates the program, is one of two designated Community Housing Development Organizations (CHDOs) for the City. For small grant recipients like the City, under current HUD rules, it is difficult for the City to accumulate enough HOME Program funding needed for larger affordable housing developments and meet commitment and spending requirements. Under the MHMH program it is only possible to do small (one or two units) developments.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to

determine the eligibility of the activity.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	774	30
Low-income	145	4
Moderate-income	40	5
Total	959	39

Narrative: The data reported in the prior Table represents the 39 households assisted with HOME Program funding through the Security Deposit Program. An additional 9 households assisted with Red Cross funds are not included in this table. Given that 30 of the 39 households are extremely low income, this suggests the importance of this program in helping those with less than 30% of area median income secure housing in this high cost housing market.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction’s progress in meeting its specific objectives for reducing and ending homelessness through:

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

During PY 2019, the City fully met its objectives in this area. The CoC, with City participation, expanded the Smart Path CES with additional CoC funding. The program lead agency is the County Human Services Department (HSD). CES establishes a single coordinated process for access, assessment, and referral to homeless housing and service programs, replacing a previously fragmented approach. Smart Path uses an “any door” approach to access whereby a homeless person can complete a Smart Path assessment by calling 2-1-1, visiting a CES Access Point, or contacting a Roaming Assessor. The following are operational Access Points within the City of Santa Cruz: HSC, Mental Health Client Action Network (MHCAN), Santa Cruz Public Library – Downtown, Veteran Resource Center (VRC). In addition three Smart Path Roaming Assessors bring outreach, assessment, and housing linkages directly to homeless people wherever they are. Smart Path uses the VI-SPDAT to prioritize people based upon need: PSH – must be chronically homeless and have the highest VI-SPDAT scores in the range from 8-17 adults and transition age youth (TAY), and 9-22 families; RRH and TH - based upon highest scores in the range of 4-7 adults and TAY, and 4-8 families. CES data and reports are maintained in HMIS.

Meanwhile, the City, working with police, nonprofits, and local businesses, supported the following inter-related outreach services and mobile behavioral health response programs: the Downtown Outreach Team with two outreach workers providing 7 day per week, 10 hours per day coverage; the MOST Team with two mental health liaisons; a redesigned HOPES Team (formerly, Bob Lee Community Partnership for Accountability, Connection, and Treatment [PACT]), which uses an integrated multidisciplinary team that includes health providers, behavioral health providers, crisis services, outreach specialists, veteran providers and criminal justice personnel; and the Downtown Streets Team’s Homeless Jobs Engagement Program, which includes street beautification and peer-to-peer outreach. An additional outreach team the City continues to support is Homeless Persons Health Project (HPHP), which links Healthcare for the Homeless services with its own PSH programs and weekly outreach to 23 service and non-service sites.

Additionally, the City participated on the HAP Board and Executive Committee process, which allocated YHDP funding for a homeless youth-focused CES project, Youth Day Center program, and mobile youth integrated services team.

Finally, the City continued its support for homeless assistance providers that conduct site-based outreach and case management for their homeless clientele. CAB, ECS, FIT, Homeless Garden Project, and HSC were key points of contact and help for adults, families, and youth experiencing homelessness in the city. Once again, the City collaborated with the sponsors of Project Homeless Connect Santa Cruz, which every year puts on a one- day event to connect homeless people directly to a plethora on needed services.

Addressing the emergency shelter and transitional housing needs of homeless persons

Sustaining and expanding emergency shelter with services and TH remained critical for addressing the crisis of unsheltered homelessness and for meeting the goals in the countywide All In strategic plan and in the City Final Report and Recommendations. In PY 2019, overall emergency shelter and TH program capacity in Santa Cruz increased, with City support, from 314 beds to 395 beds as follows:

- HSC – 90-bed Rebele Family Shelter, 40-bed Paul Lee Loft Shelter (single adults), 12-bed Recuperative Care Center (medically frail homeless); and 40-bed Page Smith Housing TH and RRH Program (mostly chronically homeless adults)
- ECS – 32-bed River Street Shelter (adults with serious mental illness), 6-bed GEMMA TH (women leaving jail), and 6-bed SCAP TH (adults with HIV)
- Front St. Inc. – 12-bed Pagett Center shelter (homeless veterans)
- Mary, Jesus, and Joseph Home – 12-bed shelter (single adults)
- New Life Community Services – 5-bed shelter (single adults/substance abuse)
- Sienna Housing – 10-bed shelter (pregnant/mothering women)
- Association of Faith Communities (AFC) – 20-bed faith group Rotating Shelter
- Salvation Army – 120-bed Winter Shelter Program (November – April) and.

The City also committed general funds to address the immediate wellbeing of unsheltered homeless persons through secure storage facilities, hygiene facilities, and electronic device charging, and supported local citizens and faith groups in providing a warming center during cold weather. During the Program Year, the City participated with the HAP and County in planning for the use of California HEAP and CESH funds, which eventually included priorities and projects for emergency and hygiene services at the River Street encampment, Gateway Plaza, and HSC; emergency shelter at the Paul Lee Loft and VFW Building, homeless parking programs, capital and services funding for a future navigation center.

The State of California ESG program includes Santa Cruz (and the entire CoC geography). As the holder of a seat on the HAP Board, in PY 2019 the City worked closely with the highly competitive State ESG Program to identify and rank Santa Cruz County applications. In PY 2019, HSC implemented a \$200,000 ESG award awarded the previous year for the Rebele Family Shelter (96 beds).

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

In PY 2019, the City continued and expanded a variety of programs aimed at helping varied homeless populations rapidly regain housing. Working with the Housing Authority, using HOME and Red Cross funds, the City continued its Security Deposit Program to help homeless and at risk households get into new units quicker. Collaborating with the County in the CORE Investments Program, the City committed general funds to the ECS Housing Pathways Program, FIT Family Housing Stabilization Program, Homeless Garden Project Employment Services, HSC 180/2020 Housing Placement and Services Program, and Smart Path CES, which prioritizes access to permanent supportive housing (PSH) and rapid rehousing (RRH) based upon severity of need. These programs are all focused on helping homeless individuals and families to become housed and self-sufficient as quickly as possible.

The *All In* strategic homelessness plan emphasizes efforts to end homelessness by increasing a range of permanent housing (PH) options, and to measure progress, including shortened time homeless, during the process. Working with the HAP, the City participated in CoC decision-making to convert the \$57,067 Brommer Street TH Program into a joint TH-RRH Program. Overall including renewals, more than \$1.6 million in CoC funds were awarded to PSH projects dedicated to chronically homeless adults, more than \$615,000 to RRH or joint TH-RRH dedicated to homeless families and individuals, and more than \$320,000 for CES and HMIS. Shorting the length of time homeless was one of the numerical metrics used by the CoC in selecting projects for funding.

Leveraging CoC efforts were RRH programs funded through County HOME tenant-based rental assistance (TBRA) and CALWORKS Housing Support, and the Housing Authority's 120-voucher limited preference for disabled and medically vulnerable (DMV) homeless persons linked to Project 180/2020's housing placement and services. In addition, the City continued its support for the Housing Authority's Shelter Plus Care and DMV voucher Move On programs, and the Landlord Incentive Program, which incentivizes rentals by covering costs for damages, missed rent, and vacancies.

One of the strategic priorities of the All In plan is to end Veteran homelessness. In PY 2019, the City continued its ongoing collaboration with the County, CoC, VA Palo Alto Health Center, Housing Authority, and various veteran service providers to provide a broad range of PSH, RRH, emergency shelter, prevention assistance, and supportive services to homeless Veterans and their families. Key resources for Veterans in the city and county are more than 300 HUD-Veterans Affairs Supportive Housing (VASH) vouchers, 3 Supportive Services for Veteran Families (SSVF) programs, a 12-bed veteran's shelter, benefits assistance, employment services, case management, health and treatment services, and transportation.

Another All In plan strategic priority is to establish a coordinated response to youth homelessness. As mentioned above, the CoC, with City participation, began implementing a \$2.2 million YHDP grant received the previous program year. Altogether, 8 YHDP projects were submitted to and funded by HUD: 1 Shared Housing TH, 2 RRH Plus, 1 PSH, 1 Drop-In Center, 1 Integrated Service Team, and 1 Youth CES.

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 used general funds during PY 2019 for CAB's Emergency Housing Assistance Program to keep people in existing housing. Also, as in previous Program Years, the City used general funds (and in a few cases, CDBG and Red Cross funds) to support a broad range of community programs that help to prevent homelessness by addressing the needs of low-income persons. These include family service programs, parenting and at-risk youth programs, aging and senior service programs, health centers, dental care, mental health programs, substance use prevention and treatment, domestic violence prevention, food programs, and more.

Prevention through discharge planning took place on a countywide basis through the efforts of the CoC.

During the Program Year, CoC members worked in consultation with the following County Departments/Offices to implement discharge policies and protocols:

- County of Santa Cruz Families and Children's Services to prevent emancipated youth from becoming homeless up to the age of 21.
- The County Homeless Persons' Health Project for homeless people leaving hospital care, sometimes with a short stay at the HSC Recuperative Care Center.
- The County of Santa Cruz Health Services Agency (HSA) for discharging patients from the psychiatric and other behavioral health units.
Santa Cruz County Jail for a coordinated system of care for mentally ill inmates that includes key justice system, social, and health partners.

Finally, the All In strategic plan includes significant recommendations to increase and improve efforts to prevent housing loss and divert people from homelessness before it happens. During the Program Year, the City staff participated in HAP efforts to better understand the risk factors that lead to homelessness, and to address these factors by: steadily expanding prevention programs (such as with TANF CalWORKs housing subsidies and SSVF prevention funding) and connecting programs with services such as preventative health care; actively including prevention program access and diversion strategies in all Smart Path CES Access Points; emphasizing job services (e.g., through CalFresh Employment Training and Workforce Santa Cruz linkages); expanding both health insurance enrollment and community health services (homeless-targeted health clinic and dental clinic); and each year holding a Santa Cruz Project Homeless Connect event, which includes many prevention-related services.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The Housing Authority oversees public housing throughout the County, including within the City of Santa Cruz. The HA owns 234 public housing units within the County of Santa Cruz, including 32 units within the City. It also offers the Housing Choice Voucher Program (formerly known as Section 8) to City residents. Tenant-based Housing Choice Vouchers provide a monthly subsidy to low-income tenants renting market-rate units. About 30% (1,377) of the 4,653 total occupied units in the County are used in the City of Santa Cruz area. (Please note this count is based on zip code data, which does not completely coincide with jurisdictional boundaries.) The HA waiting lists for public housing and housing choice vouchers stand at approximately 1,700 and 12,500 households respectively. The waiting list for vouchers has been closed since Dec 6, 2018.

The Housing Authority currently does not have any plans to develop additional “public housing” projects but is exploring the potential to develop a small number of affordable units, and we promote our Project Based Voucher Program as a way to help support the development of additional affordable housing countywide.

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

Given that public housing projects within the City of Santa Cruz are typically small and scattered; the Housing Authority involves residents through individual tenant meetings at each public housing site. In addition a public housing resident is included on their Resident Advisory Board and on the agency’s Board of Commissioners.

Actions taken to provide assistance to troubled PHAs

The Housing Authority of Santa Cruz County is designated a "High Performer."

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

During the 2019 PY, the City has been continuing to implement its new ADU zoning ordinance which encouraged the development of accessory dwelling units (ADUs) and continued to implement new state legislation. Although these units are generally not rent restricted, ADUs are considered “affordable by design” in that they are smaller units and traditionally rent at a lower rate. As a result of these changes, by the end of the 2019 PY, construction on 44 ADUs was completed. This is a 4% decrease in production from the 2018 PY. These small units provide a very valuable source of rental housing in the City of Santa Cruz.

Since the City completed a rezoning of the downtown to increase densities, allowable building heights and adjust parking requirements for residential developments in the 2019 PY, several housing development proposals are moving forward through the planning and permitting process

As noted earlier in the report, during the 2017 PY (December 5, 2017), the City Council formed a sub-committee that engaged with the community through a series of 16 gatherings, events, and meetings to talk about the housing situation in the City of Santa Cruz which culminated in a community event that included facilitated staff presentations on varying topics and staffed booths both providing information to the public as well as asking for their input on these policies. On June 12, 2018, the Committee made a series of recommendations which were then adopted by the full City Council. During 2019 PY, City staff worked to implement the City Council’s direction through such efforts as updating the Density Bonus and Inclusionary ordinances and ADU ordinance updates to comply with State Law and researching additional ways to make ADU development more affordable.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The primary obstacles to meeting the underserved needs of low- and moderate-income households include lack of funding from federal, state and other local sources, and the high cost of housing that is not affordable to low-income people. In the 2019 PY, the City continued to seek new resources to meet underserved needs.

The City also continues to educate the public on the need for affordable housing and promotes a variety of affordable housing programs. During the 2017 PY, the City conducted extensive community engagement on the history, drivers and potential solutions to the local housing crisis. This award-winning engagement process, commonly referred to as “Santa Cruz Voices on Housing”, included:

- 56 hours of outreach events
- Participation of ~350 community members and 30 community groups
- 1,307 housing surveys completed as well as 1,000 conversation kits

As a byproduct of this effort, it is hoped that more constituents will come out in support of affordable housing projects when they are facing approvals by the City.

To address underserved needs, 100% of the City's 2019 PY expenditures benefitted low- and moderate-income households or those presumed under HUD regulations to be low and moderate-income. In fact, nearly 100% of those served are low income rather than moderate income. The Teen Center does serve some moderate income households, though the majority served across all programs are in the lower income categories.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The Residential Lead Based Paint Hazard Reduction Act of 1992 (Title X) emphasizes prevention of childhood lead poisoning through housing-based approaches. To reduce lead-based paint hazards, the rehabilitation of housing units built prior to January 1, 1978 must include a lead-based paint test and risk assessment report. As required by the Environmental Protection Agency (EPA), the City Building Division requires contractors to be EPA lead certified before they can obtain necessary City building permits or work on homes built prior to 1978. Where lead-based paint is identified, contractors are required to incorporate safe work practices or abate the lead-based paint to effectively reduce lead-based paint hazards to children in accordance with federal regulations.

The City complies with both new EPA law on lead and renovation as well as with applicable HUD lead-based paint hazard reduction guidelines and regulations when it uses federal funds, such as HOME funds, for acquisition and rehabilitation of apartments for preservation or maintenance of affordable housing. Furthermore, the City coordinates with the County of Santa Cruz which provides intervention in cases of childhood lead poisoning, as well as reports of dry sanding/scraping and power-washing of homes built prior to 1978.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The priorities and needs as identified in the 2015-2020 Consolidated Plan reflect the City's objective of reducing the number of households with incomes below the poverty line. Specifically, the priorities and programs that address the needs of extremely low and low-income households, including the homeless and special needs populations, address this objective.

In the 2019 PY, the City provided over \$1 million from the City's General Fund for safety net programs. In addition, CDBG funding to support several programs to maintain or increase the client's level of self-sufficiency and ability to escape poverty includes:

- Nueva Vista Resource Center Client Services.
- Beach Flats Community Center Youth Programs.
- Teen Center Program.

In addition to City funded activities, the County of Santa Cruz administers specific welfare programs such as Welfare to Work. City households who are eligible for such programs are assisted by County staff.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

Santa Cruz County Homeless Action Partnership (HAP): The HAP is a consortium of organizations and individuals interested in resolving homelessness in Santa Cruz County. This includes local jurisdictions, nonprofit homeless service providers and advocacy groups, healthcare providers, public education, funders, faith groups, academic and research experts, and homeless and formerly homeless persons. The HAP functions through a series of committees to achieve goals and objectives. The City of Santa Cruz participates in and helps fund all levels of the HAP.

Downtown Streets Team Outreach Workers: The City works in partnership with the County to employ Downtown Streets Team outreach workers who engage homeless individuals in the City’s downtown and connect them to needed resources, services, and shelter, including long term housing if possible.

Community Assessment Project: For over twenty years, a consortium of public and private health, education, human service and civic organizations, convened by the United Way of Santa Cruz County, have sponsored the Community Assessment Project of Santa Cruz County (CAP). The CAP is a collaborative project to measure and improve the quality of life in Santa Cruz County. One of the primary purposes of CAP is to encourage collaborative community action that will positively impact the Community Goals. The CAP study focuses on six research areas – Economy, Education, Health, Public Safety, Natural Environment, and Social Environment. This invaluable tool provides a comprehensive analysis of needs, assisting the community to identify potential issues, recognize trends, and establish priorities.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City 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 as well as strategies to address these needs.
- Efforts to coordinate housing assistance and services for homeless and formerly homeless persons are coordinated through the HAP as noted above. In addition the City works in partnership with the County to employ a Downtown Outreach Worker who engages homeless individuals in the City’s downtown and connects them to needed resources, services, and shelter, including long term housing if possible.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The Analysis of Impediments to Fair Housing Choice (AI) provides an overview of the laws, regulations, conditions or other possible obstacles that may affect access to housing as well as recommendations for the City to improve fair housing practices in the City.

Overall findings in the AI demonstrated that the City does not have any major fair housing issues. The AI states that, “The City permits a wide range of conventional single- and multi-family housing. The City’s policies have also been successful in facilitating and encouraging a broad range of special needs housing for homeless people, residential care facilities, alcohol and drug rehabilitation homes, senior housing, and assisted living.” Furthermore it notes that, “The City clearly has a demonstrated history of facilitating and encouraging the development of emergency shelters, transitional housing, and permanent supportive housing.” The AI did raise the issue of a need to improve inter-jurisdictional coordination with non-profit organizations that provide fair housing assistance. In the 2016 PY, the City addressed this need by exploring coordination with the Housing Authority and the City of Watsonville but that effort has been put on hold for the proposed regional Affirmatively Furthering Fair Housing program.

Although the City does not directly own or manage any HOME-funded affordable housing projects, recipients of HOME funds are required to comply with all HOME regulations, including the affirmative marketing requirements at 24 CFR Part 92.351. The City has established an Affirmative Marketing Policy for HOME-assisted units in furtherance of its commitment to non-discrimination and equal opportunity in housing. The Policy outlines the affirmative marketing procedures and practices to be used by owners of affordable housing projects to inform and solicit applications from persons in the housing market who are not likely to apply for such housing without special outreach. The Policy also defines record keeping responsibilities of the owners and the City with regard to affirmative marketing actions.

The largest impediment to fair housing is the same as for any housing – lack of funding for new units. The City’s new 41 unit affordable housing development on Water Street, which includes 6 special needs housing units, has completed construction and lease-up as of October 2019. Planning statistics for the 2019 PY show that of the 35 units that were completed and added to the housing stock the majority were ADUs. Developers and property owners applied for approval to build over 1,135 units in this period. The City’s Inclusionary program requires that 20% of newly developed units be affordable. So, potentially 227 of the in progress and planned units will be inclusionary units.

CR-40 - Monitoring 91.220 and 91.230

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

Affordable Unit Monitoring: There are approximately 381 rental units restricted under the HOME, Measure O and Red Cross funded programs at the City, and when added with the former Redevelopment Agency funded units, there are approximately 900 rental units in the City which have regulatory agreements that require them to be monitored on an annual basis. Typically, these are privately owned units that received public funds and that have rent/occupancy restrictions. During 2019 PY, City staff continued implementing established monitoring procedures which includes first sending monitoring letters out to all owners.

For CDBG and HOME assisted rental units, the City monitors these units in compliance with Program requirements. The City maintains an annual monitoring schedule which includes periodic on-site inspections (including code compliance) and a review of owner's records. For HOME assisted projects that have more than five HOME units, this includes review of their affirmative marketing plan. Staff conducts annual monitoring in the first quarter of each year. Once monitoring is completed, close-out letters are sent to project owners and are maintained in the respective project files. As per 24 CFR 92.504(d)(1)(ii)(A), certain HOME funded projects receive on site monitoring once per three year period.

Due to the COVID-19 Pandemic, there have been some impacts to monitoring causing delays for former Redevelopment Agency funded units. Also, the City applied for and received waivers to be able to postpone on-site inspections for HOME funded units. Prior to the declaration of emergency, staff was able to conduct on-site inspections for recently completed HOME funded units at both the Water Street Apartments and the unit at Fairmount Avenue. The units passed the initial inspections.

Monitoring Community Facility Projects: Direct monitoring of construction activities occurs while projects are being developed or implemented. Prior to initiating any project, City staff meets with recipients and their project manager to go over requirements or obligations which are outlined in the funding agreement. A check list is typically provided with requirements. During project implementation, City staff receives and reviews periodic progress reports and makes on-site visits as needed. Staff also does budget line item approval for any funding request and works with recipient to ensure compliance. A final site visit is made at the completion of the project.

Monitoring Community Service Grant Recipients: Organizations receiving operating funds are required to submit a quarterly or semi-annual report (depending on funding levels) detailing services and client statistics. These reports are reviewed to ensure that the organization is on track to achieving goals as well as in compliance with both City and HUD regulations. Given that Santa Cruz is a small community, City staff are in frequent contact with service providers through common meetings or periodic check ins by phone. Staff also conducts formal on-site monitoring on a periodic or as needed basis.

Minority and Women Owned Businesses: The City has established a Minority/Women's Business

Enterprise Policy to provide an equal opportunity for the participation of minority and women's business enterprises in the procurement of goods and services financed in whole or in part by HUD-assisted programs. The Policy identifies outreach and solicitation measures designed to identify and recruit MBE's and WBE's, and also outlines reporting requirements applicable to the Policy. All contract packages for HOME or CDBG funded housing rehabilitation contracts include standard MBE/WBE clauses which require each contractor to submit a statement as part of his/her bid that affirmative action has been taken to seek out and consider MBE's and WBE's. The City has continued to follow its affirmative marketing program and to solicit minority and women owned businesses. No CDBG or HOME funded awards were given to women owned businesses during the reporting period.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

In accordance with the City's adopted Citizen Participation Plan, a public notice was published in the Santa Cruz Sentinel on December 1, 2020, notifying the public of the availability of the Consolidated Annual Performance and Evaluation Report for a 15-day public review and comment period. A draft CAPER was available from December 1 – December 16, 2020 on the City's website. No comments were received.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction’s program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

No changes were made in the City’s objectives during the 2019 PY. The 2019 Action Plan was not amended.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?	No
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CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

Maintaining HOME-assisted affordable housing is a high priority. During the 2019 PY, all of the HOME-assisted properties listed below were not inspected onsite to determine compliance with the housing codes and other applicable regulations. As previously noted in CR-40, the City applied for waivers from HUD to defer onsite inspections due to the COVID-19 Pandemic. As soon as it is safe to do so, staff will schedule onsite visits with the below listed properties. Desk audits were completed for all HOME funded projects with active affordability requirements. However, there were two projects that did receive onsite inspections as they completed construction during the Program Year. The two projects are 714 Fairmount Ave. and Water Street Apartments. No deficiencies were identified at either project.

- 81 Chestnut St. – Neary Lagoon Apartments
- 90 Grandview St. – Mission Gardens
- 714 Fairmount Ave*
- Water Street Apartments*

*These projects did receive onsite monitoring as they completed construction prior to the COVID-19 Pandemic and the resultant declaration of emergency.

The other HOME funded projects did not receive on-site inspections due to the monitoring timelines established at 24 CFR 92.504(d)(1)(ii)(A).

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)

Each of the HOME-assisted properties with more than five units maintains an Affirmative Fair Housing Marketing Plan. During annual monitoring, the annual Affirmative Fair Housing Marketing Report and waitlist are reviewed to ensure compliance with HUD requirements to affirmatively further fair housing choice.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

According to the PR-09 report for the HOME program, the City receipted in a total of about \$83,757 and used \$38,700 of HOME program income (PI) during the 2019 PY. This included income from a residential loan payoff. The majority of the HOME Program PI was used to help fund the Water Street Affordable Housing Project (\$29,125.85) and a smaller amount (\$9,575.15.00) was used for the Security

Deposit Program. Program Income receipted for 2017 Program Year was also used as part of an additional draw for the Security Deposit Program in an amount of \$4,759.85.

Describe other actions taken to foster and maintain affordable housing. 91.220(k)

Under the 2019 Action Plan, the Security Deposit Program continued and expanded. The Water Street Affordable Housing Project continued construction with expected completion during the 2019 Program Year. Changes to the City's zoning ordinance will result in additional housing development in the downtown. One residential housing project in the downtown with 63 units completed construction in the 2019 PY, and will provide 15% affordable units for purchase when the condos are sold. Additional statistics about units being added to the housing stock can be found in section CR-35 above. The City also made changes to the Inclusionary ordinances during the 2019 PY in an effort to encourage more housing development and require more affordable units in new rental and ownership developments.

Appendix 1: HUD Tables

- CDBG Program Financial Summary (PR26)