



# 2021 CAPER

Consolidated Annual Performance and Evaluation Report  
(CAPER)

For the 2021-2022 Action Plan Program Year

*Covering the Reporting Period of July 1, 2021 to June 30, 2022*

## CR-05 - Goals and Outcomes

### **Progress the jurisdiction has made in carrying out its strategic plan and its action plan.**

**91.520(a)** *This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.*

Achievements toward meeting Con Plan goals in the 2021 Program Year (PY) include:

**Affordable Housing:** In the 2021 PY, the City funded California Rural Legal Assistance (CRLA) for activities related to assisting low-income tenants with legal questions and concerns with the goal of helping these individuals and families to make informed decisions about obtaining housing, maintaining housing, and improving their housing situation. CRLA accomplished this through individual assistance and legal representation when necessary.

**Community Facilities:** The Central Park Renovations project was completed in the 2021 PY due to delays with material delivery. These improvements included drainage and accessibility changes and will reduce flooding and allow those in wheelchairs to better access the park. Other facilities projects underway include: the London Nelson Senior Studio and the Market St. Senior Center renovations. The Hygiene Bay at Housing Matters Homeless Projects contract was originally funded with CDBG in the 2020 PY. Due to an increase in construction costs and additional structural damage identified, there were cost increases to the project requiring additional funding. As a result, the City amended the 2020 AAP to reallocate the project funding to homeless pandemic response activities and the Hygiene Bay project is still moving forward with State funding. The City is currently working on the acquisition and installation of 2 modular hygiene units and will be reported on next PY. These units will assist with demand during the Hygiene Bay construction and add dispersed capacity in the future.

**Infrastructure:** Nothing to report this PY.

**Homelessness:** In PY 2021 the City continued to commit CDBG, HOME, Red Cross, and State HCD Relocation funding toward key programs preventing and addressing homelessness, including the City's Security Deposit Program that is managed by the Housing Authority of the County of Santa Cruz (HACSC). Due to the pandemic, the 2021 PY continued to see a need for managed homeless encampments, increased non-congregate emergency shelter and hotel vouchers, increased sanitation, hygiene and water services, emergency cleanups, increased shelter sites, several safe parking programs and continual coordination with the County of Santa Cruz which oversees homeless services. \$374,000 of CDBG-CV funds were earmarked in the 2020 PY for this use as well as the \$456,000 reallocated from the Hygiene Bay project and all unutilized 2020 PY funds, due to the deficit remaining after FEMA and the County portions of the costs were paid.

**Community Services:** The City funded community programs during the 2021 PY with approximately \$6.5 million of non-HUD funds, \$985,000 for Community Programs, \$1.4 million for Programs and Services and \$4.2 million for Homelessness Response in ARPA (American Rescue Plan Act) Funds, per the FY 2023 Adopted Budget (attached). In addition to the other City funds used, CDBG funds were 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. Both Nueva Vista and the Beach Flats Community Center continued to operate throughout the pandemic, providing vitally needed community services. The Teen Center provides a safe environment for teens at the London Nelson Community Center (previously Loudon Nelson Community

Center). The Teen Center was closed for a little over half of the 2020 PY, but with improved hygiene, ventilation, and distancing measures the Teen Center was able to re-open and serve the community again, increasing their provision of services in the 2021 PY.

**Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)** *Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.*

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Increase and preserve affordable housing	Affordable Housing	General Fund: \$20,000 Red Cross: \$22,000 State Funding: \$6,200,000	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	113	100%	0	113	100%
Increase and preserve affordable housing	Affordable Housing	General Fund: \$20,000 Red Cross: \$22,000 State Funding: \$6,200,000	Rental units constructed	Household Housing Unit	30	0	0.00%	0	0	0.00%
Increase and preserve affordable housing	Affordable Housing	General Fund: \$20,000 Red Cross: \$22,000 State Funding: \$6,200,000	Homeowner Housing Rehabilitated	Household Housing Unit	0	0	0.00%	0	0	0.00%
Increase and preserve affordable housing	Affordable Housing	General Fund: \$20,000 Red Cross: \$22,000 State Funding: \$6,200,000	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	350	17	4.86%	75	17	22.67%

Increase and preserve affordable housing	Affordable Housing	General Fund: \$20,000 Red Cross: \$22,000 State Funding: \$6,200,000	Homelessness Prevention	Persons Assisted	50	113	226.00%	20	113	565.00%
Provide community and supportive services.	Non-Housing Community Development	Red Cross: \$25000	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	20,000	170,180	850.90%	4,500	12,964	288.09%
Provide community and supportive services.	Non-Housing Community Development	Red Cross: \$25000	Homeless Person Overnight Shelter	Persons Assisted	0	0	0.00%	0	0	0.00%
Revitalize community facilities & infrastructure.	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	5,250	0	0.00%	2,000	0	0.00%
Support County-wide Homeless Strategic Plan	Homeless	CDBG: \$ / General Fund: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0	0.00%	5,000	0	0.00%
Support County-wide Homeless Strategic Plan	Homeless	CDBG: \$ / General Fund: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	3,000	0	0.00%	1,250	0	0.00%

Support County-wide Homeless Strategic Plan	Homeless	CDBG: \$ / General Fund: \$	Homeless Person Overnight Shelter	Persons Assisted	2,800	0	0.00%	570	0	0.00%
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**Table 1 - Accomplishments – Program Year & Strategic Plan to Date**

**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 which has been priority area for City assistance like CDBG funded projects and programs. In the 2021 PY, CDBG funds were used for operational costs for the Nueva Vista Resource Center and the Teen Center. In collaboration with Nueva Vista, the City reaches out to the Hispanic community with the 2 centers in the Lower Ocean Street and Beach Flats neighborhoods. With permission from the Field Office, the NRSA is due to be partially updated at the end of the current PY to bring it in line with the City's 5-year Consolidated Plan (Con Plan).

**Community Facilities and Infrastructure:**

As mentioned earlier, the City is currently working on installation of modular hygiene units to help strengthen services targeted for the homeless (a high priority during the Con Plan survey) to be completed in the 2022 PY. Additional funding was provided to 2 senior facility projects underway, the Market St. Senior Center renovations and the Senior Studio, as senior facilities were also ranked as a high priority by survey respondents.

**Priority Goal - Increase and Preserve Affordable Housing:**

Overall, the City is on track to meet Con Plan housing goals. During the PY, the City continued implementing its Inclusionary Ordinance which requires 20% of residential units for low income households. Some projects are using density bonuses, resulting in deeper affordability levels that would not otherwise be constructed without subsidies or targeted development.

The Ocean Street Apartments project was completed during the PY, provides 62 affordable housing units, and utilized City fee deferrals and State Tax Credits. There are 3 City-sponsored housing projects moving ahead: Pacific Station North and South, and the Downton Library Affordable Housing Project. In May of 2022, 2 100% affordable projects broke ground, Pacific Station South and Cedar Street Family Apartments. These projects are slated for completion by spring 2024 and will add 135 affordable units, a new community health and dental clinic (Pacific Station South), commercial spaces, and other improvements.

The City's Red Cross funded Emergency Rental Assistance Program (ERAP), aimed to reduce homelessness due to inability to pay rent, was expected to assist about 5 households but only 3 households were helped which may be due to State rental assistance applications still being processed. The City was able to continue the 2020 PY Emergency Eviction Prevention Program (EEPP) into the 2021 PY through a \$150,000 allocation of City funds. The EEPP program helped keep households in units and avoid eviction. Additionally, the City continued to fund the Landlord Incentive Program further detailed in CR-30.

**Priority Goal - Support County-wide Homeless Strategic Plan:**

In PY 2021, the City committed funding to further help meet the priorities and objectives of both the Housing for a Healthy Santa Cruz strategic plan and the complementary Final Report. \$11,000 in Red Cross funds were awarded to the Community Action Board (CAB) ERAP as mentioned above. Also, as previously referenced, the City of Santa Cruz spent approximately \$6.5 million for community programs, services and homelessness response.

The City and County have seen an increased need for homeless services and a lack of non-congregate shelter during the PY. The City worked to provide alternative shelters with partner agencies, but, the need outstripped the resources and homeless camps emerged in the City. \$14 million is available to the City and

County of Santa Cruz for homeless projects. See CR-25 for more information on homelessness.

**City Priority - Youth Services:**

Youth services have been identified as an overall priority for the City despite not being a separate goal in the Con Plan. As mentioned previously, CDBG funds are being used for the Teen Center and the Beach Flats Community Center.



## 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)

	CDBG	HOME
White	1,129	29
Black or African American	84	4
Asian	13	0
American Indian or American Native	74	0
Native Hawaiian or Other Pacific Islander	6	0
<b>Total</b>	<b>1,306</b>	<b>33</b>
Hispanic	714	16
Not Hispanic	592	17

**Table 2 – Table of assistance to racial and ethnic populations by source of funds**

During the 2021 PY, CDBG Program funds were used for programs and projects primarily benefiting low and very low income households. The table above includes data from all CDBG activities. Data above for HOME appears to be from the 2020 PY but was missing from the 2020 CAPER.

According to US census data, about 73% of the City’s population self classifies itself as racially “White”. The next highest racial group is “Other Race”, representing 11% of the population. Asians represent 8% and Blacks or African Americans represent 2 % of the population. The racial mix of those served by CDBG funded programs are predominantly White at 60% with the next highest group identifying as “Other Multi-Racial” at 34%. Of those responding, about 80% also identified as Hispanic. Asians are underrepresented at 1%.

Recent census data for City of Santa Cruz shows that 21% of the City’s population considers themselves to be Hispanic. The CDBG Program serves a higher percentage, with 80% of those receiving benefits identifying as Hispanic. This is not surprising since the highest concentration of the City’s Hispanic population is located within the NRSA, which is served by the two centers operated by Nueva Vista.

Missing in the IDIS table is a large proportion of participants of programs receiving CDBG funds identify as Other Multi Racial, which can be entered in IDIS for activity accomplishments but does not show up in the IDIS generated tables. A manual count over 370 participants receiving assistance identify with this category. Other racial categories missing from the above table are Asian & White and Black/African American & White.

## CR-15 - Resources and Investments 91.520(a)

### Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	732,351	1,418,633.69
HOME	public - federal	426,141	29,310.00
General Fund	public - local	200,000	0
LIHTC	public - state	21,000,000	0
Redevelopment Fund	public - local	897,014	0
Other	private	6,247,000	0
Other	public - federal	6,247,000	0
Other	public - state	6,247,000	0

**Table 3 - Resources Made Available**

For Community Services and Programs, in addition to the funds shown in the above table, the City also expended over \$6 million during the 2021 PY to address homelessness and community development needs. Homeless programs received the greatest percentage of this funding followed by youth programs. The latter category includes funds used for the Teen Center. CDBG and City Red Cross funds (\$36,000) were also used for community programs and homelessness prevention services.

### Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Neighborhood Revitalization Strategy Area	32	26	Includes Nueva Vista programs and Teen center

**Table 4 – Identify the geographic distribution and location of investments**

Geographical distribution percentages are under what was expected. Some projects outside the NRSA were completed during this PY. It's expected that when the non-NRSA projects continue moving forward, the percentage expended in the target area may continue to decrease.

Since good fair housing practices encourage distribution of low income housing throughout the City, our affordable housing projects are typically not located only in our low income areas and the Security Deposit program is available City wide to all low income residents.

## 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.**

The Pacific Station North project will utilize local, state, federal and private funding sources totaling approximately \$80 million which will leverage HOME funding awarded in the 2022 Program Year approximately 44 times. For the 3 City-sponsored 100% affordable housing projects, the Pacific Station North and South Projects and the Downtown Library Affordable Housing Project, the City is contributing land (Pac North and South, totaling ~ \$9.8 million) and State awarded Local Housing Trust Fund Match grants totaling \$10 million dollars. No additional HOME Match was contributed in PY21.

Other HOME Program funding was used for the City's Security Deposit Program. A total of \$100,000 was dedicated for the Security Deposit Program in HOME funds, but it was not used due to one-time state funding being available to support local households. It is anticipated that the 2022 PY allocation will be able to be utilized to support the Security Deposit Program again. In addition, \$11,000 in City Red Cross Funds helped fund security deposits primarily in the NRSA. During PY 2021, an additional allocation of \$200,000 of unused relocation funds resulted in the City being able to expand the Security Deposit program even further through June 31, 2022. The City also awarded \$150,000 to continue the successful EEPP program administered by CAB.

The CDBG Program invested \$190,000 in Public Services (with \$100,000 going to a CBDO) and \$6,500 in program delivery costs for the City's continued administration of the Unified Housing Rehabilitation Program (UHRP). With over \$1.6 million of other city funds going to community programs and services, this leverages the CDBG funding approximately 8 times.

In addition to receiving CDBG operational funding, the Teen Center Program and the Beach Flats Community Center are in City owned facilities which allows funding to be used for operations and programming.

<b>Fiscal Year Summary – HOME Match</b>	
1. Excess match from prior Federal fiscal year	11,589,625
2. Match contributed during current Federal fiscal year	0
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	11,589,625
4. Match liability for current Federal fiscal year	0
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	11,589,625

**Table 5 – Fiscal Year Summary - HOME Match Report**

<b>Match Contribution for the Federal Fiscal Year</b>								
<b>Project No. or Other ID</b>	<b>Date of Contribution</b>	<b>Cash (non-Federal sources)</b>	<b>Foregone Taxes, Fees, Charges</b>	<b>Appraised Land/Real Property</b>	<b>Required Infrastructure</b>	<b>Site Preparation, Construction Materials, Donated labor</b>	<b>Bond Financing</b>	<b>Total Match</b>

**Table 6 – Match Contribution for the Federal Fiscal Year**

**HOME MBE/WBE report**

<b>Program Income – Enter the program amounts for the reporting period</b>				
<b>Balance on hand at begin-ning of reporting period \$</b>	<b>Amount received during reporting period \$</b>	<b>Total amount expended during reporting period \$</b>	<b>Amount expended for TBRA \$</b>	<b>Balance on hand at end of reporting period \$</b>
164,351	226,972	6,035	0	385,288

**Table 7 – Program Income**

<b>Minority Business Enterprises and Women Business Enterprises</b> – 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	
<b>Contracts</b>						
Dollar Amount	0	0	0	0	0	0
Number	0	0	0	0	0	0
<b>Sub-Contracts</b>						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0
	Total	Women Business Enterprises	Male			
<b>Contracts</b>						
Dollar Amount	0	0	0			
Number	0	0	0			
<b>Sub-Contracts</b>						
Number	0	0	0			
Dollar Amount	0	0	0			

**Table 8 - Minority Business and Women Business Enterprises**

<b>Minority Owners of Rental Property</b> – 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 9 – Minority Owners of Rental Property**

<b>Relocation and Real Property Acquisition</b> – 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

**Table 10 – Relocation and Real Property Acquisition**

## 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.**

	<b>One-Year Goal</b>	<b>Actual</b>
Number of Homeless households to be provided affordable housing units	10	0
Number of Non-Homeless households to be provided affordable housing units	65	0
Number of Special-Needs households to be provided affordable housing units	0	0
<b>Total</b>	<b>75</b>	<b>0</b>

**Table 11 – Number of Households**

	<b>One-Year Goal</b>	<b>Actual</b>
Number of households supported through Rental Assistance	75	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	0	0
Number of households supported through Acquisition of Existing Units	0	0
<b>Total</b>	<b>75</b>	<b>0</b>

**Table 12 – Number of Households Supported**

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

The 2021 Action Plan allocated \$100,000 of HOME Program funds for the City’s Security Deposit Program. There are additional funds of \$125,000 from the prior program year which will roll over into the 2022 PY, as during the 2021 PY alternative funds were available for use. This amount plus \$11,000 from the City’s Red Cross funding was estimated to be able to assist 50 households. Though a significant amount of funding was made available for the 2020 PY for Security deposits, there was little demand during that time as families largely sheltered in place. An influx of temporary funding from the state also diminished the ability to spend the HOME Program funding in the 2021 PY. 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 Housing Choice Voucher tenants. This program, which is administered by the Housing Authority, is designed to help incentivize landlords to accept Housing Choice Voucher holders as tenants 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 goal of ensuring affordable housing for all residents. The latest

(2020) census data indicates that 51% of renters pay 35% or more of their rent, previously data was collected on the percent paying 50% or more, but this data is not available in the latest ACS tables. It is expected that at least 35% of renters are greatly overburdened with 50% or more, similarly to the last time the data was available in 2017.

The City protects its older housing stock with code enforcement and rental housing quality inspections through the Rental Inspection Program where every rental unit in the City is inspected every 3 years. The City has also supported older affordable housing projects by supporting applications for rehabilitation Tax-Exempt Revenue Bonds from the California Public Finance Authority (CalPFA). In in 2021 PY, the City extended their ground lease with Arbor Cove Senior Commons for an additional 55 years, preserving this 100% affordable, 35 unit rental project (30% - 60% AMI). The ground lease extension allowed Arbor Cove to secure the financing needed to rehabilitate the property.

**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. In the 2021 PY the City decreased the level of funding due to continuing impacts from the COVID-19 Pandemic and decreased demand for the program. Other outcome differences are a result of project delays and should not affect outcomes over the 5-year Consolidated Plan timeframe. 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.

**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.**

<b>Number of Households Served</b>	<b>CDBG Actual</b>	<b>HOME Actual</b>
Extremely Low-income	0	0
Low-income	0	0
Moderate-income	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Table 13 – Number of Households Served**

With the 2022 PY award of HOME and 2021 HOME-ARP funding, the City is anticipating between 12-14 units total to be assisted in future PYs. Neither source will cover all construction costs, as costs greatly exceed the maximum unit allocation of HOME funds, but together with other funding sources, will help to close a project funding gap and will increase the number of households served.

Presently, demand for Security Deposit Assistance has decreased, however if COVID-19 numbers continue to improve, more households are expected to apply for Security Deposit Assistance, which will also greatly increase the numbers above.



## **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 2021, the City met its objectives in this area. The CoC, with City participation, continued expansion of the Smart Path Coordinated Entry System (CES) with additional CoC funding. The program lead agency is the County of Santa Cruz Human Services Department (HSD) which has recently been revamping the HAP consortia during PY 2021 and is now known as the Housing for Health Partnership (H4HP). 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 where 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: Housing Matters (formerly HSC), Mental Health Client Action Network (MHCAN), Santa Cruz Public Library – Downtown, and 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: Permanent Supportive Housing (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; Rapid Rehousing (RRH) and Transitional Housing (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 Homeless Management Information System (HMIS). The CoC is currently working on adjustments to their Coordinated Entry process, likely to be adopted during future PYs.

Meanwhile, the City, working with police, nonprofits, and local businesses, supported the following related outreach services and mobile behavioral health response programs: the Downtown Outreach Team with 2 outreach workers providing 7 days per week, 10 hours per day coverage; the MOST Team with 2 mental health liaisons; a redesigned HOPES Team, 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 H4HP Board and Executive Committee process, which allocated funding for activities such as: senior programs, assorted health services, and other supportive services and programs.

### **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 countywide in accordance with the Housing for a Healthy Santa Cruz Strategic Plan. In PY 2021, overall emergency shelter and TH program capacity in Santa Cruz increased, with City support of the Safe parking programs, but this didn’t meet the increased demand. The latest County of Santa Cruz Point In Time Count (PIT Count) of those experiencing homelessness was released in September 2022. 2022 PIT Count data reveals there was a 6% overall increase in homelessness between 2019 and 2022 (from 2,167 to 2,299 people). The PIT Count also reveals the unsheltered population increased by 4% (from 1,700 to 1,774). While this information is informative for

addressing the needs of those experiencing homelessness, it is possible that the annual PIT Counts underrepresent the total number of homeless individuals in the City and County. Since the last reporting period, the City has created a new City Outreach Team, which consists of 3 staff members. The Outreach Team connects unhoused individuals within the City to shelter and services provided by the County and non-profit community. The Outreach Team also oversees the City-run 1220 River Street Transitional Community Camp. Below is a list of the resources available in the City of Santa Cruz.

Operated by the City of Santa Cruz:

- 1220 River St. Transitional Community Camp – 30 tent sites
- Safe Parking (overnight only) – 8 parking spots

Funded by the City of Santa Cruz:

- Armory – 135 tent sites, operated by The Salvation Army
- Safe Parking (overnight only) – 15 parking spots, operated by the Free Guide

Supported in part by the City of Santa Cruz:

- Housing Matters – 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)

Other shelters located within the City, not directly funded or operated by the City of Santa Cruz:

- Front St. Inc. – 14-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 – 16-bed shelter (pregnant/mothering women)
- Association of Faith Communities (AFC) – 20-bed faith group Rotating Shelter

The City also committed 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 PY, the City worked with the H4HP and County in planning for the use of \$14 million from the State, a master plan for the Coral Street campus area, and communicated on Project Homekey funding.

**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 2021, 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 units quickly. In collaboration with the County in the CORE Investments Program, the City awarded funds to the same programs as prior years. These programs are focused on helping homeless individuals and families to become housed and self-sufficient.

The All In strategic homelessness plan was replaced in the 2020 PY with the “Housing for a Healthy Santa Cruz Strategic Plan”. In 2022, the City of Santa Cruz also released the “Homelessness Response Action Plan” (attached). The County Plan states: “The Framework embraces clearly developed housing pathways as the solution to homelessness and prioritizes strategies to ensure everyone in the community has a place to live and includes goals to expand the availability of rapid rehousing, affordable housing for Extremely Low-Income (ELI) households, and permanent supportive housing. Closing the affordable housing gap to meet established state requirements and local need will require increased resources and local County and City support for new or repurposed housing developments.” The County Plan involves increasing shelter bed capacity by 160 beds, increasing RRH spots by 350, increasing PSH units by 100 and a goal to reduce homelessness by 50% by 2024. The full plan can be found in the attachment “County & City Reports PY21 (Homelessness) ”.

The City’s plan complements the County’s plan and includes 5 Action Areas with related goals. The Action Areas are:

1. Building Capacity & Partnerships – “Effective homelessness response requires a holistic approach. These activities focus on an organizational response to homelessness and housing instability, including greater internal coordination and alignment of services and expanding our and our partners’ overall capacity and effectiveness.”
2. Permanent Affordable & Supportive Housing – “Santa Cruz is a leader in proactive and innovative approaches to expanding permanent affordable and supportive housing. Affordability and availability are two of the most significant contributors to our region’s homelessness crisis. These actions will advance the City’s longstanding commitment to expand housing opportunities in our community.”
3. Basic Support Services – “The provision of effective care and support services, including basic hygiene, shelter and storage facilities, will play an integral role in breaking the cycle of homelessness and connecting unhoused residents to the support to work toward permanent housing.”
4. Care & Stewardship – “Establishing effective care and support services for our community’s homeless residents will be essential to support their efforts in securing permanent housing. In addition, managing local habitat restoration will play a vital role in protecting the environment.”
5. Community Safety – “Through key partnerships with the County and local agencies and the creation of new response models, we will work to keep Santa Cruz a safe environment for all.”

Key resources for Veterans in the City and County include 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.

**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 2021 for CAB's Emergency Housing Assistance Program to keep people in 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 programs were greatly broadened in the 2020 PY with HOME funds and a revised Emergency Eviction Prevention Program which helped 71 households with eviction protection assistance. These programs were continued in the 2021 PY, however, the HOME funds were substituted for one-time funds from the State. The City funds a variety of activities which include programs for family services, parenting and at-risk youth, aging and senior services, health centers, dental care, mental health, substance use prevention and treatment, domestic violence prevention, food support, 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 Housing for a Healthy Santa Cruz Strategic Plan makes recommendations to increase and improve efforts to prevent housing loss and divert people from homelessness before it happens. During the 2021 PY, City staff participated in H4HP efforts to better understand the risk factors that lead to homelessness and to address these factors by steadily expanding the prevention program.

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

### **Actions taken to address the needs of public housing**

The Housing Authority of the County of Santa Cruz (HACSC) is not a department of the City of Santa Cruz, but they do oversee public housing throughout the County, including the City of Santa Cruz. 3 former Public Housing projects owned by the HACSC are located in the City. In January 2021, HACSC completed a Section 22 Streamlined Voluntary Conversion of all 234 Low Income Public Housing (LIPH) units in their program. As part of this conversion, ownership of the units was transferred to New Horizons Affordable Housing and Development, a non-profit affiliate of HACSC.

HACSC also offers the Housing Choice Voucher (HCV) Program to City residents. Tenant-based HCVs provide a monthly subsidy to low-income tenants renting market-rate units. There are over 5,000 vouchers administered by the HACSC; 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. The HACSC waiting list for Housing Choice Vouchers stands at approximately 12,500 households. The waiting list for vouchers has been closed since Dec 6, 2018.

The Housing Authority also promotes the Project Based Voucher (PBV) Program to help support the development of additional affordable housing countywide. The award of PBV units to affordable developments is essential to the financial viability of the projects. PBV units are slated for the City-sponsored Pacific Station North and South affordable housing projects, which will make utilizing vouchers easier for voucher holders. The Housing Authority is also pursuing the development of a 20 unit SRO (Single Room Occupancy) 100% affordable housing project in the City of Santa Cruz.

As mentioned previously, HACSC works with the City on the Landlord Incentive Program. This incentive program offers up to \$5,000 to landlords who claim expenses beyond security deposits for tenant damages, vacancy loss, legal fees, and other costs when a HCV tenant vacates a unit. This risk-mitigation program proactively addresses landlord fears they might be left with greater expenses from voucher-assisted tenants.

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

Now that all public housing units have been converted to Housing Choice Vouchers, there are no public housing residents in the City. HCV residents are encouraged to become more involved through the HACSC Resident Advisory Board, or through the Board of Commissioners (which includes 2 HCV residents).

### **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 2021 PY, the City has continued implementing the updated Accessory Dwelling Units (ADU) zoning ordinance and new state legislation which encourages the development of ADUs. Although these units are generally not rent restricted, ADUs are considered “less expensive by design” in that they are smaller units and traditionally rent at a lower rate. Despite challenges due to the pandemic, by the end of the 2021 PY, building permits for 67 ADUs were finalized. This is a 57% increase in production from the 2020 PY. These small units provide a very valuable source of rental housing in the City of Santa Cruz.

The City is also currently working on the Downtown Plan Expansion project which is considering future redevelopment of the area south of Laurel Street. Objectives of this project include:

1. Providing additional affordable and market-rate housing in the downtown
2. Creating public amenities like parks, public plazas, or better pedestrian infrastructure
3. Improving the connection to the San Lorenzo River and beach areas
4. Creating new economic opportunities for local businesses and workers
5. Coordinate with the Santa Cruz Warriors to construct a new permanent arena

This project will continue to support the development housing for all affordability levels and builds on prior rezoning efforts of the City which increased densities, allowable building heights and adjusted parking requirements for residential developments.

## **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 (according to a 2022 study by the National Low Income Housing Coalition, Santa Cruz is the 2nd most expensive city in the country). In the 2021 PY, the City continued to seek new resources to meet underserved needs. To increase the supply of affordable housing in the City, staff pursued multiple State funding opportunities including CalHome, Local Housing Trust Fund Match (LHTF), Permanent Local Housing Allocation (PLHA), Low-Income Housing Tax Credit Program (LIHTC), Affordable Housing and Sustainable Communities (AHSC) and the Infill Infrastructure Grant Program (IIG). The City has been successful with multiple applications and has been awarded \$10 million in LHTF funding, \$1.5 million in PLHA funding (to be allocated over 5 years), approximately \$9 million in AHSC funds and \$20 million in IIG funds. To bring much needed low income and below units to Santa Cruz, these funds will be used towards City sponsored affordable housing developments located on City owned land. Staff has spent several years acquiring and assembling land parcels to facilitate the development of affordable rental housing. The City is partnering with affordable housing developers to build this housing, and the City will continue to own the land and ground lease the parcels to the affordable housing developer/operator to maintain the affordability in perpetuity.

The City also continued outreach and education to the community by promoting presentations for Affordable Housing Month, held annually in May. The City works with other local affordable housing agencies and advocates to promote and educate the community on affordable housing information, programs and opportunities. The City is also working to improve information available on our websites for in-progress projects, affordable housing requirements and resources, and regular informational releases on projects, policies, and resources for the community.

To address underserved needs, 100% of the City's 2021 PY expenditures benefitted low and moderate income households or those presumed under HUD regulations to be low and moderate income with nearly 100% of those served being low income.

#### **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 2020-2025 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 2021 PY, the City provided over \$1 million for community programs and services. In addition, CDBG funding supported several programs to maintain or increase the client's level of self-sufficiency and ability to escape poverty including:

- 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 Housing for Health Partnership (H4HP):** The H4HP is a consortium of organizations and individuals interested in resolving homelessness in Santa Cruz County and was previously known as the Homeless Action Partnership. 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 H4HP 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 H4HP.

**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-five 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 6 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 as follows:

- Through the annual distribution of funding, City staff work with housing and service providers to develop eligible activities and projects that meet the needs of the community, prepare applications, provide technical assistance, and project management to ensure successful programming.
- Economic Development Department and City Manager's Department staff are active in local and regional boards, committees, and coordination efforts.
- Housing Division staff have 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 H4HP as noted above. In addition, the City works in partnership with the County to employ 2 Downtown Outreach Workers who engage homeless individuals in the City's downtown and connect them to needed resources, services, and shelter, including long term housing if possible. Also, as mentioned earlier in this report, the City created a new City Outreach Team, which consists of 3 staff members. The City Outreach Team connect unhoused individuals within the City to shelter and services provided by the County and non-profit community. The City Outreach Team also oversees the City-run 1220 River Street Transitional Community Camp.

**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. The City is currently working towards updating the AI, with the aim of combining this process with our upcoming State required Housing Element process as both HUD and the State of California share priorities in ensuring fair housing choice. The City will continue to work to update the AI through the following program year.

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 regarding affirmative marketing actions.

The largest impediment to fair housing is the same as for all types of housing – lack of funding for new units. The 41 unit affordable housing development on Water Street, which includes 6 special needs housing units, completed construction and lease-up in October 2020 and was the last major development project that utilized HOME funding. During the 2021 PY, the 63 unit affordable housing project Ocean Street Apartments was completed and occupied. Planning statistics for the 2021 calendar year show that building permits for 313 housing units were issued, 83 being low income and 230 above moderate income. During the 2021 calendar year, there were 72 very low income units in various projects that received their entitlements and there are projects including another 98 very low income units that submitted applications for entitlements. As mentioned above in section CR-05, in May 2022, two 100% affordable housing projects broke ground and are slated to provide 135 units for very low and low income households in the Downtown area and are expected to be completed in future program years. The City’s Inclusionary program requires that 20% of newly developed residential units be made available at affordable rents or sales prices for low income households. Some of these projects are also accessing California’s State Density Bonus and provide units at affordability levels lower than the City’s Inclusionary Ordinance affordability levels.

## **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 354 rental units restricted under the HOME, Measure O and Red Cross funded programs at the City, and when added to former Redevelopment Agency funded units, there are approximately 863 rental units with regulatory agreements requiring them to be monitored annually. Typically, these are privately owned units that received public funds and that have rent/occupancy restrictions. During 2021 PY, City staff continued implementing established monitoring procedures including sending electronic and hard copy monitoring letters to owners and reviewing responses.

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 5 HOME units, this includes review of their affirmative marketing plan. Staff typically conducts annual monitoring in the first quarter of each calendar 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 3 year period.

Due to the COVID-19 Pandemic, monitoring has been impacted, causing delays for former Redevelopment Agency funded units that have continued into the 2021 PY. Also, the City applied for and received waivers in prior PYs to be able to postpone on-site inspections for HOME funded units.

### **Monitoring Community Facility Projects**

Direct monitoring of construction activities occurs during development or implementation. Prior to initiating any project, City staff meets with recipients and their project manager via a check list to go over requirements or obligations outlined in the funding agreement. During project implementation, City staff receives and reviews progress reports and makes on-site visits as needed. Staff also does budget line item approval for funding requests and works with recipients to ensure compliance. A final site visit is made at project completion.

### **Monitoring Community Service Grant Recipients**

Organizations receiving operating funds are required to submit quarterly or semi-annual reports (depending on funding levels) detailing services and client statistics. Reviewing these reports ensures that the organization is on track to achieving goals and in compliance with both City and HUD regulations. City staff are in frequent contact with service providers through common meetings or periodic check-ins. Staff also conducts formal on-site monitoring on a periodic or as needed basis.

### **Minority and Women Owned Businesses**

The City has 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 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 or minority 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 September 14, 2022, 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 September 14, 2022 – September 29, 2022 upon request. 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.**

There is nothing to report for this section.

**Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?**

No

**[BEDI grantees] Describe accomplishments and program outcomes during the last year.**

## **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 2021 PY, all HOME-assisted properties listed below were not inspected. As previously noted in CR-40, the City applied for and received waivers from HUD to defer onsite inspections due to the COVID-19 Pandemic in prior PYs. Staff is working to schedule onsite visits with the below listed properties. In July 2021 on-site visits were initially scheduled as COVID-19 numbers improved at that point in time, but cases started peaking and the inspections were postponed until staff and residents could be safe. The County of Santa Cruz saw spikes again in January 2022, and while known cases appear to have diminished, the County has experienced smaller spikes recently. Desk audits were completed for all HOME funded projects with active affordability requirements. The City will be working to complete onsite inspections for all projects in the coming months and will review onsite monitoring schedules for each project listed below.

- 81 Chestnut St – Neary Lagoon Apartments
- 90 Grandview St – Mission Gardens
- 110 Lindberg St – Riverfront Apartments
- 211 Gault St – Gault Street Apartments
- 714 Fairmount Ave
- 718 Water St – Water Street Apartments
- 721 Bay St – Garfield Park Village
- 1041 Cayuga St – Grace Commons

### **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 5 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 received in a total of about \$226,972 of HOME program income (PI) during the 2021 PY. This included income from an affordable housing

residential loan payoff and return of Security Deposits from the Security Deposit program. It is displayed in the PR-09 report as PY 2022 PI, but it is actually for the PY 2021 (see attached PR-09 report). The City has accumulated PI over the past few years, and these funds will be awarded to the Pacific Station North Affordable Housing Project which will help close the funding gap for this project.

**Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)**

Under the 2021 Action Plan, the Security Deposit Program continued at \$100,000. This was due to a decreased demand for the program. The decrease in demand was due to the COVID-19 pandemic as residents were sheltering in place and not moving except in rare cases. Demand dropped about 75% for the program in the 2020 PY.

The most recent HOME funded housing project was the Water Street Affordable Housing Project which completed construction during the 2020 PY. The City has awarded 2022 PY HOME funding to the Pacific Station North Project and anticipates completion in the 2024 calendar year. Other City-sponsored housing developments include the Pacific Station South project and Downtown Library and Affordable Housing project, both described earlier in this report and are slated for completion in 2024. Additional statistics about units being added to the housing stock and City-sponsored future affordable housing projects can be found in section CR-35 above.

The City continued to review the Inclusionary ordinance during the 2021 PY, and may consider making programmatic changes in future program years.

## CR-58 – Section 3

### Identify the number of individuals assisted and the types of assistance provided

<b>Total Labor Hours</b>	<b>CDBG</b>	<b>HOME</b>
Total Number of Activities	0	0
Total Labor Hours	0	0
Total Section 3 Worker Hours	0	0
Total Targeted Section 3 Worker Hours	0	0

**Table 14 – Total Labor Hours**

<b>Qualitative Efforts - Number of Activities by Program</b>	<b>CDBG</b>	<b>HOME</b>
Outreach efforts to generate job applicants who are Public Housing Targeted Workers	0	0
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.	0	0
Direct, on-the job training (including apprenticeships).	0	0
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.	0	0
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).	0	0
Outreach efforts to identify and secure bids from Section 3 business concerns.	0	0
Technical assistance to help Section 3 business concerns understand and bid on contracts.	0	0
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.	0	0
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.	0	0
Held one or more job fairs.	0	0
Provided or connected residents with supportive services that can provide direct services or referrals.	0	0
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.	0	0
Assisted residents with finding child care.	0	0
Assisted residents to apply for, or attend community college or a four year educational institution.	0	0
Assisted residents to apply for, or attend vocational/technical training.	0	0
Assisted residents to obtain financial literacy training and/or coaching.	0	0
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.	0	0
Provided or connected residents with training on computer use or online technologies.	0	0
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.	0	0
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.	0	0
Other.	0	0

**Table 15 – Qualitative Efforts - Number of Activities by Program**

The City of Santa Cruz had no Section 3 activities to report during this reporting period.

The Housing Authority of the County of Santa Cruz complies with Section 3 guidelines and rules, however, they do not track how much of the award for the Security Deposit Program goes towards Section 3 related payroll.

The Housing Authority advertises available S3 opportunities on its website. All job positions include the

S3 notice. The Housing Authority publishes a S3 notice in two local newspapers twice a year, additionally all residents of Housing Authority owned housing receive an annual notice specific to the possibility of S3 opportunities in association with employment through the Housing Authority. All inquiries received in response to the annual notice and/or job inquiries are tracked for later follow-up when new S3 related employment positions arise. When new S3 employment opportunities arise, the Housing Authority sends an envelope containing the job announcement to everyone who made such a request within the preceding 12 months. The Housing Authority relies on its contractors to fulfill the S3 obligations for hiring, training, and direct employment. The Housing Authority itself is not engaged in any building projects. All contract documentation includes information about S3 obligation and conversations are had with each contractor about the importance of S3 opportunities. All contractors are screened for their participation and direct involvement in meeting S3 obligations.