



2022 CAPER

Consolidated Annual Performance and Evaluation Report
(CAPER)

For the 2022-2023 Action Plan Program Year

Covering the Reporting Period of July 1, 2022 to June 30, 2023

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 2022 Program Year (PY) include:

Affordable Housing: This 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 make informed decisions about obtaining and maintaining housing and improving their housing situation. CRLA accomplished this through individual assistance and legal representation when necessary.

Community Facilities: 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, but due to an increase in construction costs and additional structural damage, the City amended the 2020 AAP to reallocate the project funding to homeless pandemic response activities and the Hygiene Bay project moved forward with State funding. The City completed work on the Hygiene Bay and also completed acquisition and installation of 2 modular hygiene units during this PY. These units are currently supporting the City's two emergency shelters, providing hygiene resources for program participants.

Infrastructure: While the City did not spend any HUD funding on infrastructure improvements this PY, the City's Public Works Department did perform flood prevention work throughout the rainy season in Santa Cruz and is continuing to work on the development of a roadmap for recovery regarding the impacts of the 2022-2023 winter storms to West Cliff Drive, a scenic walking and biking path.

Homelessness: This PY the City continued to commit CDBG, HOME, Red Cross, and State HCD Relocation funding toward key programs preventing & addressing homelessness, including the City's Security Deposit Program, managed by the Housing Authority of the County of Santa Cruz (HACSC). The 2022 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. In response to the winter storms during this PY, the City opened a Severe Weather Shelter for those experiencing homelessness, between January and May 2023, activating shelters at the Civic Auditorium and the Depot Park Freight Building for a total of 19 nights, providing a cumulative 725 safe sleeping spaces and over 1,200 instances of individual receiving food, drinks or supplies.

Community Services: The City funded community programs during the 2022 PY with approximately \$6.4 million of non-HUD funds per the FY 2024 Adopted Budget (attached). In addition to the City funds used, CDBG funds were used for operating costs for Nueva Vista Resource Center (NVRC), primary service provider for the Latinx community and provides vitally needed community services, and the Teen Center, operated by the City's Parks & Recreation Department and provides a safe environment for teens at the London Nelson Community Center (LNCC). NVRC 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 NVRC centers continued to resume activities to pre-pandemic levels. The Teen Center continues to work towards resuming a pre-pandemic schedule

based on the operating hours of the LNCC. The Teen Center has continued to operate the City's Bicycle Distribution Program and the Healthy Cooking & Healthy Eating classes.

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	CDBG: \$ / HOME: \$ / General Fund: \$20000 / Housing Trust Fund: \$ / LIHTC: \$ / Redevelopment Fund: \$ / Red Cross and State Funding: \$197000 / State Cap and Trade: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	218	0%	0	105	0%
Increase and preserve affordable housing	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$20000 / Housing Trust Fund: \$ / LIHTC: \$ / Redevelopment Fund: \$ / Red Cross and State Funding: \$197000 / State Cap and Trade: \$	Rental units constructed	Household Housing Unit	30	0	0.00%	0	0	0%

Increase and preserve affordable housing	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$20000 / Housing Trust Fund: \$ / LIHTC: \$ / Redevelopment Fund: \$ / Red Cross and State Funding: \$197000 / State Cap and Trade: \$	Homeowner Housing Rehabilitated	Household Housing Unit	0	0	0%	0	0	0%
Increase and preserve affordable housing	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$20000 / Housing Trust Fund: \$ / LIHTC: \$ / Redevelopment Fund: \$ / Red Cross and State Funding: \$197000 / State Cap and Trade: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	350	44	12.57%	40	31	77.50%

Increase and preserve affordable housing	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$20000 / Housing Trust Fund: \$ / LIHTC: \$ / Redevelopment Fund: \$ / Red Cross and State Funding: \$197000 / State Cap and Trade: \$	Homelessness Prevention	Persons Assisted	50	117	234.00%	0	0	0%
Provide community and supportive services.	Non-Housing Community Development	CDBG: \$ / General Fund: \$ / Red Cross and State Funding: \$25000	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	20000	205643	1,028.22%	4500	35463	788.07%
Provide community and supportive services.	Non-Housing Community Development	CDBG: \$ / General Fund: \$ / Red Cross and State Funding: \$25000	Homeless Person Overnight Shelter	Persons Assisted	0	0	0%	0	0	0%
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	5250	0	0.00%	2000	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	3000	0	0.00%	1000	0	0.00%
Support County-wide Homeless Strategic Plan	Homeless	CDBG: \$ / General Fund: \$	Homeless Person Overnight Shelter	Persons Assisted	2800	0	0.00%	570	0	0.00%

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. With permission from the Field Office this NRSA was partially updated in PY23 to match the term of the City's Consolidated Plan (Con Plan). In the 2022 PY, CDBG funds were used for operational costs for the NVCR and the Teen Center. In collaboration with NVCR, the City reaches out to the Hispanic community with the 2 centers in the Lower Ocean Street and Beach Flats neighborhoods.

Community Facilities and Infrastructure:

As mentioned earlier, the City completed the installation of modular hygiene units to help strengthen services targeted for the homeless (a high priority during the Con Plan survey) during the PY. Additional funding was provided to Homeless Garden Project, local non-profit that provides job training and work experience to those experiencing homelessness, for the roof rehabilitation and mold remediation for their main office. This will help strengthen services for the homeless, provide valuable job training, transitional employment, and volunteer opportunities for the community. This funding was awarded through an amendment to the 2022 AAP.

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.

There are 3 City-sponsored housing projects moving ahead: Pacific Station North and South, and the Downton Library Affordable Housing Project. Two of the 100% affordable projects broke ground in May 2022, Pac Station South and Cedar Street Family Apartments. These projects are slated for completion in spring 2024 and will add 135 affordable units, a new community health and dental clinic (Pac Station South), commercial spaces, and other improvements. Pac Station North is slated to break ground during the 2023 PY.

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 also continued the 2020 PY Emergency Eviction Prevention Program (EEPP), which helps households avoid eviction, into PY2022 with a \$150,000 allocation of City funds. Also, the City continued funding the Landlord Incentive Program described in CR-30.

Priority Goal - Support County-wide Homeless Strategic Plan:

In PY 2022, 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 \$6.4 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. 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	29,993	28
Black or African American	298	1
Asian	1,566	2
American Indian or American Native	281	0
Native Hawaiian or Other Pacific Islander	1,734	0
Total	33,872	31
Hispanic	20,457	8
Not Hispanic	15,125	26

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

Narrative

During the 2022 PY, CDBG Program funds were used for programs and projects primarily benefiting low and very low income households. The table above does not include all the entered data from all CDBG and HOME activities. Missing from the IDIS table are the following identifying groups that included participants for the CDBG (1,710 participants missing) and HOME Programs (2 participants missing): "American Indian or Alaskan Native & White", "Asian & White", "Black or African American & White", and "Other Multi-Racial". A manual count over 1,591 CDBG participants receiving assistance identified as "Other Multi-Racial".

According to US census data, about 69% of the City's population self classifies itself as racially "White". The next highest racial group is "Hispanic or Latino", representing 21% of the population. Those identifying as "Asian" represent 10% and those identifying as "Black or African American" represent 2% of the population. Based on the above table, the racial mix of those served by CDBG funded programs are predominantly White at 89% with the next highest groups identifying as "Native Hawaiian or Other Pacific Islander" and "Asian" both at 5%. Of those responding, about 60% also identified as Hispanic. Those identifying as "Black or African American" and "Asian" are underrepresented.

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 60% of those receiving benefits identifying as Hispanic or Latino. 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.

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	677,566	467,908
HOME	public - federal	2,091,346	82,064
General Fund	public - local	9,739,684	
Housing Trust Fund	public - local	5,200,000	
LIHTC	public - state	2,461,353	
Redevelopment Fund	public - local	897,014	
Other	private	6,208,495	
Other	public - federal	6,208,495	
Other	public - state	6,208,495	

Table 3 - Resources Made Available

Narrative

The City expended over \$460,000 in CDBG funds and over \$80,000 in HOME funds this year. See attached PR-05 report (Combined PR-05 & PR-09 Reports) for drawdowns made during the 2022 PY. For Community Services and Programs, the City also expended over \$6 million during the 2022 PY to address homelessness and community development needs. Homeless programs received the greatest percentage of this funding. 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	29	29	Includes Nueva Vista programs and Teen center

Table 4 – Identify the geographic distribution and location of investments

Narrative

Geographical distribution percentages are at expected levels even with some projects outside the NRSA being completed during this PY. It's expected that when the non-NRSA projects continue moving forward, the percentage expended in the target area may 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 \$100 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 PY22.

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 was only partially used due to one-time state funding being available to support local households. In addition, \$11,000 in City Red Cross funds helped fund security deposits primarily in the NRSA. During PY22, 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, 2023. The City also awarded \$150,000 to continue the successful EPPP program administered by CAB.

The CDBG Program invested \$190,000 in Public Services (with \$100,000 going to a CBDO) and \$5,000 in program delivery costs for the City's continued administration of the Unified Housing Rehabilitation Program (UHRP). With over \$680,000 of other city funds going to community programs and services, this leverages the CDBG funding approximately 3 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.

Fiscal Year Summary – HOME Match	
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	59,375
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	11,530,250

Table 5 – Fiscal Year Summary - HOME Match Report

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

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at begin-ning 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 \$
385,288	612,527	59,375	59,375	938,440

Table 7 – Program Income

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 8 - Minority Business and Women Business Enterprises

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 9 – Minority Owners of Rental Property

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

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.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	5	4
Number of Non-Homeless households to be provided affordable housing units	35	27
Number of Special-Needs households to be provided affordable housing units	0	0
Total	40	31

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	40	31
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
Total	40	31

Table 12 – Number of Households Supported

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

The 2022 Action Plan allocated \$100,000 of HOME Program funds for the City’s Security Deposit Program which was combined with the additional funds of \$125,000 from the prior program year as mentioned in the 2021 CAPER. This amount plus \$11,000 from the City's Red Cross funding was estimated to be able to assist 50 households (31 of which were assisted with HOME funds). An influx of temporary funding from the state diminished the ability to spend the HOME Program funding in the 2021 PY, which partially affected the 2022 PY as well. 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 (2021) census estimate data indicates that 47% 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 rental units in the City are 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 2022 PY, the City extended their loan with CFSC for an additional 30 years, preserving this 100% affordable, 4 unit rental project (30% - 60% AMI). The City also approved a loan consolidation for multiple loans with Housing Matters, local non-profit that provides housing and services to those experiencing homelessness, which contributes to the new 121-unit project by continuing to restrict 85 units of affordable housing to extremely low-income households.

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, although recent feedback from the Housing Authority is suggesting there will be an increase in demand. In the 2022 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.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	0	25
Low-income	0	4
Moderate-income	0	2
Total	0	31

Table 13 – Number of Households Served

Narrative Information

With the 2023 PY award of HOME funding combined with prior year awards, 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.

Previously, demand for Security Deposit Assistance had decreased, however the Housing Authority is reporting a rise over the last quarter of the 2022 PY, with more households expected to apply for Security Deposit Assistance during the 2023 PY. 31 Households were assisted during this PY, most in the Extremely Low-income category.

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 PY22, the City met its objectives in this area. The CoC, with City participation, launched a redesign of the Smart Path Coordinated Entry System (CES) in April 2023. The new system uses designated Connectors applying housing problem solving techniques and a new assessment and planning tools to assist as many people experiencing homelessness as possible. The approach recognizes that there isn't an immediate housing resource available for each person, so focuses on providing individual assistance to help people gain access to an array of potential supports rather than putting everyone on a list that, for most, does not result in regaining housing. The program lead agency is the County of Santa Cruz Human Services Department which is now known as the Housing for Health Division (H4H) and manages the Continuum of Care (CoC) Housing for Health Partnership (H4HP). The goals of the new CES are to:

- (1) Facilitate connections to mainstream and community services for as many persons experiencing homelessness as local resources allow;
- (2) Streamline the process for matching to limited housing resources within the Housing for Health Partnership network (CoC); and
- (3) Prioritize resources for households with the most significant barriers to getting and keeping housing and for those with the greatest personal health and safety risks.

H4HP Connectors may work as part of an outreach team, drop-in center, multi-service center, or other program serving people experiencing or at risk of homelessness. They engage with persons experiencing homelessness, build rapport, enroll participants in HMIS programs and collect participant data. Connectors offer problem solving assistance with all participants and may conduct a Housing Needs Assessment (HNA). The HNA provides Connectors and participants with information needed to create and act together on an individualized Housing Action Plan and provides information to determine which participants are eligible and prioritized for H4H-supported housing and services. Only the highest priority households are added to the queue for the system's limited housing resources.

The Coordinated Entry Redesign is part of a larger system-wide effort the Housing for Health Partnership is launching in 2023. H4H Division staff will be working with partner organizations and providers to more fully develop a data-driven system by implementing updated Homeless Management Information System (HMIS) policies and procedures and coordination around data use and interpretation for addressing system issues.

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; the HOPES Team, which uses an integrated multidisciplinary team of 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. The City also added three new outreach workers (2 FTE) during the PY. The Homeless Persons Health Project (HPHP) continues to link Healthcare for the Homeless services with its own PSH programs and provides weekly outreach to multiple service and non-service sites and participates as part of the HOPES Team.

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 PY22, 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 August 2023. 2023 PIT Count data reveals there was a 22% overall decrease in homelessness from last year (from 2,299 to 1,804 people), with a decrease of 29% in the City of Santa Cruz specifically (1,439 to 1,028). The PIT Count also reveals the unsheltered population increased County-wide by 2% from 77% unsheltered in 2022 to 79% unsheltered in 2023. 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. As referenced above, 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 City, 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.

Funded and operated by the City of Santa Cruz:

- 1220 River St. Transitional Community Camp – 30 tent sites

- Safe Parking (overnight only) – The City offers 3 emergency, one night only parking spots and 12 30-day, one night only parking spots for individuals and families living in oversized vehicles

Funded by the City of Santa Cruz, operated with outside contractor:

- Armory – 135 tent sites (60 indoor, 75 outdoor), operated by The Salvation Army

- Safe Parking (24/7) – The RV Safe Parking program provides up to 20 spots for oversized vehicle dwellers to stay (24/7) up to 6 months with wrap around services. Program operation is contracted to AFC and 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), and 12-bed Recuperative Care Center (medically frail homeless)

- Association of Faith Communities (AFC) – Via CORE, the City supports AFC's emergency sheltering programs: Rotating Shelter and SafeSpaces

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

- Monarch Services – 12 beds for Domestic Violence Victims

- Sienna Housing – 16-beds for pregnant women and women with newborns
- 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)

The City also committed funds to address the immediate wellbeing of unsheltered homeless by opening a severe weather shelter for 19 nights during the winter of 2023, providing a total of 725 shelter beds. 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 PY22, the City continued and expanded a variety of programs aimed at helping various homeless populations rapidly regain housing. Working with the Housing Authority, using HOME and State 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 contributed funds to 41 agencies representing 57 programs that address community needs across the CORE Conditions for Health and Wellbeing. These programs activities include preventing homelessness, helping homeless individuals and families to become housed and self-sufficient, providing targeted support to youth experiencing or at risk of homelessness, and providing job training and transitional employment for those experiencing homelessness.

During the 2020 PY the County of Santa Cruz issued the “Housing for a Healthy Santa Cruz Strategic Framework”. This plan outlines coalition action steps that can reduce unsheltered and overall homelessness countywide by January 2024. The plan sets goals to reduce the number of households experiencing homelessness at a point-in-time by just over 25% between January 2019 and January 2024. It also calls for a 50% reduction in the number of households living “unsheltered” in places such as the streets, parks, cars, and unsafe structures.

In 2022, the City of Santa Cruz released the “Homelessness Response Action Plan”. 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. The City recently gave an update on progress towards meeting the goals outlined in the HRAP, a recording of which is available on the City's website: <https://www.cityofsantacruz.com/community/homelessness>.

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 PY22 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 households with eviction protection assistance. These programs were continued in the 2021 & 2022 PYs, however, the HOME funds were supplemented with 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 Framework referenced earlier makes recommendations to increase and improve efforts to prevent housing loss and divert people from homelessness before it happens. During the 2022 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. The combined City and County plans can be found in the attachment “County & City Reports (Homelessness)”.

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 affordable housing throughout the County, including the City of Santa Cruz. Three affordable (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 affordable housing project, which will make utilizing vouchers easier for voucher holders. The Housing Authority has broken ground on 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 an 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 2022 PY, the City has continued implementing the Accessory Dwelling Unit (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. By the end of the 2022 PY, building permits for 64 ADUs were finalized. This is a 4% decrease in production from the 2021 PY. These small units provide a valuable source of rental housing in the City of Santa Cruz.

The City is also continuing work 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. Coordinating with the Santa Cruz Warriors to construct a new permanent arena

This project will continue to support housing development for all affordability levels and it 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 the 2023 study by the National Low Income Housing Coalition, Santa Cruz-Watsonville rental market is the most expensive in the country with the greatest gap between average income renters and the cost of housing). In the 2022 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 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 in the past few PYs 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. Additional funding was awarded in the 2023 PY and will be discussed in the next CAPER. 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. 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 affordability in perpetuity.

The City also continued outreach and education to the community by promoting presentations for

Affordable Housing Month, held annually in May which included two groundbreakings for two 100% affordable housing projects – the Housing Authority’s Natural Bridges Project & MidPen’s Jessie Street Apartments. These two projects will create approximately 70 units of affordable housing. 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 also continues to work with affordable housing owners to discuss preservation of affordability including loan extensions, project refinancing and other requests.

To address underserved needs, 100% of the City’s 2022 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.

As mentioned earlier, in the 2022 PY, the City provided over \$680,000 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. 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 last CAP study from 2019 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 & Housing 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 connects 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 the State required 6th Cycle 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. Planning statistics for the 2022 calendar year as reported in the 2022 Annual Housing Element Progress Report show that building permits for 264 housing units were issued, 76 being very-low income, 146 low income and 42 above moderate income. As mentioned above in section CR-05, in May 2023, two 100% affordable housing projects broke ground during this program year and are slated to provide 70 units for very low and low income households in the City 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 339 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 875 rental units with regulatory agreements requiring annual monitoring. Typically, these are privately owned units that received public funds and that have rent/occupancy restrictions. During 2022 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 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 second quarter of each calendar year, and the monitoring is completed before the end of the program 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.

With the COVID-19 Pandemic, prior years monitoring were impacted, however, during the 2022 PY, all affordable housing unit monitoring resumed the normal monitoring schedule and was completed.

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 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 12, 2023, 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 12, 2023 – September 27, 2023 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.

Not Applicable.

CR-50 - HOME 24 CFR 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 24 CFR §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 2022 PY, all HOME-assisted properties listed below were inspected. Desk audits were completed for all HOME funded projects with active affordability requirements. The City will continue to perform onsite inspections for all projects as per onsite monitoring schedules and in accordance with 24 CFR 92.504(d)(1)(ii)(A).

81 Chestnut St – Neary Lagoon Apartments

- Five on-site inspections occurred in May 2023. All units passed inspection.
- The desk audit of all 11 units was complete indicating all units were in compliance.
- A close out letter was sent out in June 2023.

90 Grandview St – Mission Gardens

- Four on-site inspections occurred in May 2023. All units passed inspection.
- The desk audit of all 11 units was complete indicating all units were in compliance.
- A close out letter was sent in June 2023.

718 Water St – Water Street Apartments

- Four on-site inspections occurred in May 2023. All units passed inspection.
- The desk audit of all 11 units was complete indicating all units were in compliance.
- A close out letter was sent in June 2023.

The following projects did not require on-site inspections this year, but desk audits were performed and completed indicating project compliance. Close out letters were sent in June 2023.

- 110 Lindberg St – Riverfront Apartments
- 211 Gault St – Gault Street Apartments
- 714 Fairmount Ave
- 721 Bay St – Garfield Park Village
- 1041 Cayuga St – Grace Commons

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 24 CFR 91.520(e) and 24 CFR 92.351(a)

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 receipted in a total of about \$612,526 of

HOME program income (PI) during the 2022 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 PI under the 2023 PY, but it is actually from the 2022 PY (see attached Combined PR-05 & PR-09 Reports). 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. 24 CFR 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 24 CFR 91.320(j)

Under the 2022 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 appears to be increasing based on feedback from the Housing Authority.

As mentioned previously in sections CR-20 & CR-35, the City continues to discuss preservation of affordability with affordable housing projects set to expire in the coming years. Some methods used to preserve affordable housing include loan extensions, project refinancing, and other requests.

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 2023 PY HOME funding to the Pacific Station North Project and anticipates completion in a future PY. Other City-sponsored housing developments include the Pacific Station South project (slated for completion in 2024) and Downtown Library and Affordable Housing project (slated for completion in a future PY). 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 enforce and review the Inclusionary ordinance during the 2022 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

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	0	N/A	N/A	N/A
Total Labor Hours	0	0	N/A	N/A	N/A
Total Section 3 Worker Hours	0	0	N/A	N/A	N/A
Total Targeted Section 3 Worker Hours	0	0	N/A	N/A	N/A

Table 14 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers	0	0	N/A	N/A	N/A
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.	0	0	N/A	N/A	N/A
Direct, on-the job training (including apprenticeships).	0	0	N/A	N/A	N/A
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.	0	0	N/A	N/A	N/A
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).	0	0	N/A	N/A	N/A
Outreach efforts to identify and secure bids from Section 3 business concerns.	0	0	N/A	N/A	N/A
Technical assistance to help Section 3 business concerns understand and bid on contracts.	0	0	N/A	N/A	N/A
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.	0	0	N/A	N/A	N/A
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	N/A	N/A	N/A
Held one or more job fairs.	0	0	N/A	N/A	N/A
Provided or connected residents with supportive services that can provide direct services or referrals.	0	0	N/A	N/A	N/A
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	N/A	N/A	N/A
Assisted residents with finding child care.	0	0	N/A	N/A	N/A
Assisted residents to apply for, or attend community college or a four year educational institution.	0	0	N/A	N/A	N/A
Assisted residents to apply for, or attend vocational/technical training.	0	0	N/A	N/A	N/A
Assisted residents to obtain financial literacy training and/or coaching.	0	0	N/A	N/A	N/A
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.	0	0	N/A	N/A	N/A
Provided or connected residents with training on computer use or online technologies.	0	0	N/A	N/A	N/A
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.	0	0	N/A	N/A	N/A
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	N/A	N/A	N/A
Other.	0	0	N/A	N/A	N/A

Table 15 – Qualitative Efforts - Number of Activities by Program

Narrative

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.