

## **Executive Summary**

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

#### **1. Introduction**

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

This report is for the 2021–2022 Action Plan for the City of Santa Cruz, covering the Program Year (PY) beginning July 1, 2021 and ending June 30, 2022. The HUD Action Plan PY2021 is equivalent to the City's fiscal year 2022 (FY22). This is the second Action Plan under the 2020-2025 Consolidated Plan.

This Action Plan was prepared in accordance with HUD's Office of Community and Planning Development (CPD) eCon Planning Suite.

#### **2. Summarize the objectives and outcomes identified in the Plan**

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The City's objectives for activities included in the 2021-2022 Action Plan include the following:

1. Continue to support implementation of strategies developed under the County-wide Homeless Strategic Plan.
  - General Funds in combination with CDBG will continue to provide assistance to various programs and facilities at the Housing Matters campus.

- CDBG and General Funds will also be used to help fund the County Wide Homeless Action Partnership (HAP) which provides the organizational structure for Continuum of Care (CoC) activities as well as the Winter Shelter Program. General Funds are used for outreach and support programs including: (1) Two Downtown Outreach Workers, (2) Maintaining Ongoing Stability through Treatment (MOST) team, (3) Pandemic Homelessness Response such as improved camp hygiene, camp cleanups, increased sanitation stations and bathroom installation and maintenance.

1. Preserve existing rental housing and increase the amount and affordability of rental housing for the City's lowest income renters. The following are anticipated outcomes addressing this Objective:

- HOME Funding is available for affordable housing projects such as one of the upcoming City sponsored affordable housing projects: Metro Pacific Station North, Pacific Station South and the Library Mixed Use Project. Additional information on these projects can be found in AP-85 Other Actions.
- Funding will be provided for the on-going Security Deposit Program.
- California Rural Legal Assistance (CRLA) is funded with CDBG funds and will assist low-income tenants with legal questions and concerns with the goal of helping these individuals and families to make informed decisions about obtaining housing, maintaining housing, and improving their housing situation.

1. Revitalize: community facilities & infrastructure.

- CDBG funds will also be used to continue renovations and improvements to the Market St. Senior Center for improved ADA access, mold mitigation, improved HVAC and other safety improvements. Additionally, funding will be provided to the Loudon Nelson Senior Studio to install a foundation for a modular unit to be used for senior recreational activities.

1. Provide on-going support for community services and youth programs.

The City provides a combination of CDBG and General Funds for over 70 community programs that provide a range of services and opportunities for the City's low income population.

### **3. Evaluation of past performance**

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

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A comprehensive review of accomplishments from the 2020-2021 PY will be provided as a part of the City's Consolidated Annual Performance and Evaluation Report (CAPER) which will be available for public review in September 2021. The following is a brief summary of activities that were completed, progressed, supported as on-going programs, or initiated in the 2020-2021 PY.

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

- Central Park ADA and drainage improvements and the first round of renovations to the Market St. Senior Center will begin within the program year.
- Renovation of the Hygiene Bay at Housing Matters has started and will continue into the next program year.

On-going programs serving the community:

- Community Services and Youth Programs at Nueva Vista Resource Center and Beach Flats Community Center.
- Teen Center programs.
- Homeless services at the HSC Day Essential Services Center and the Paul Lee Loft.
- The Security Deposit Program to help access rental housing. Additional TBRA assistance in the form of an Emergency Eviction Prevention Program was also created in response to the COVID-19 housing crisis, helping over 60 families to avoid eviction.

- In response to the COVID-19 pandemic and with funding made available by the CARES Act, a number of CDBG-CV funded programs were made possible such as: Enhanced Health Screenings at Dientes, Pantry and PPE supplies for very low income clients at the Santa Cruz Health Clinics, rental assistance help and referrals from Community Action Board, senior enrichment activities to fight isolation due to the pandemic through Elderday. Additionally, CDBG-CV also helped to alleviate the additional food insecurity felt as part of the pandemic with added food programs such as: expanded services for seniors and the homeless through Meals on Wheels, expanded food pantry access through Second Harvest Food Bank and the Market Match Program through the Santa Cruz Farmer's Market.

Progress was made on the following projects or programs:

- The City continues to make progress on its 3 major affordable housing projects, with approximately 250 rental units at varying levels of affordability, these projects include: Pacific Station Metro North, Pacific Station South and the Library Mixed Use Project. The Housing and Community Development division applied for and received grants for these projects including two state HCD grants for over \$5 million dollars and is continuing to go after additional funding to move these projects forward.

#### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

- City staff works directly with housing and service providers to develop eligible activities and projects that meet the needs of the community.
- Staff is active in local and regional boards and committees such as HAP, HAC and MBEP.
- Through the CORE Investment process, the City of Santa Cruz and the County of Santa Cruz work together to coordinate activities and funding of local evidence-based safety net services that collectively impact the well-being of the community's most vulnerable populations. The City and County agreed to extend their three-year agreements with service providers for an additional year, therefore funding them through the 2022 Fiscal Year.

- Efforts to coordinate housing assistance and services for homeless and formerly homeless persons are coordinated through the Homeless Action Partnership (HAP).

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

## **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

At each of the public meetings and public hearings, the only comments given were from two of the applicants. Both Edgar Landeros of Nueva Vista and Jennifer Welling of Second Harvest Food Bank thanked the City Council for continued support.

No written comments were submitted at any time to either the City Council or the Housing and Community Development Division.

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

All comments were accepted.

## **7. Summary**

**February 25, 2021 Community Programs Committee meeting:** Staff provided a presentation to the Community Programs Committee (CPC) summarizing the applications received for CDBG and HOME funds for the 2021 Program Year. The CPC asked some questions about applications and staff responded to their questions. The CPC also requested data and updates be provided, so staff collected these from CDBG recipients and added to the March 23, 2021 Public Hearing. There were no comments from members of the public other than from a few providers thanking the City for the proposed CDBG funding. The CPC recommended funding allocations were provided to the full City Council at the 1st Public Hearing.

**March 23, 2021 Public Hearing:** At the first Public Hearing, there were some comments in support of funding the program at Nueva Vista, and no other comments.

**April 27, 2021 Public Hearing:** At the second Public Hearing, there were again comments in support of funding the program at Nueva Vista, and no other comments.

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

There were no comments made that were not accepted.

**7. Summary**

For the 2021-2022 PY the City will receive an allocation from HUD of \$627,351 in CDBG funds and \$396,141 in HOME Program funds.

In addition to the 2021-2022 PY CDBG Entitlement Grant, the City expects there will be about \$35,000 in CDBG Program Income (PI) from repayment of previous loans and \$70,000 in unspent funds from prior years (the majority being from underestimate Program Income in the last few years) that will be available for reprogramming. The total estimated CDBG Budget for the 2021-2022 PY is \$732,351.

For the HOME Program, the City expects to receive about \$30,000 in HOME Program PI. When combined with the HUD HOME Program grant for the 2021-2022 PY, a total of \$426,141 in HOME funds is available for allocation in this budget.

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

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

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

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

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

**Table 1 – Responsible Agencies**

### Narrative (optional)

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

### Consolidated Plan Public Contact Information

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## **AP-10 Consultation – 91.100, 91.200(b), 91.215(l)**

### **1. Introduction**

The consolidated planning process requires jurisdictions to reach out to and consult with other public and private agencies when developing the plan. The Plan includes a summary of the consultation process, including identification of the agencies that participated in the process. The homelessness crisis is felt very acutely in the County of Santa Cruz, and the City of Santa Cruz in particular. In the most recent available data from 2019, California had the fourth highest rate of homelessness per 10,000 residents in the United States. Within California, Santa Cruz County has one of the highest rates of homelessness at 79.3 per 10,000 residents.

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

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

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

### **Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

The City of Santa Cruz coordinates very closely with the Santa Cruz County Continuum of Care (CoC) and all of its members. The CoC covers the entire geography of Santa Cruz County, including the Cities of Santa Cruz, Watsonville, Capitola, and Scotts Valley, as well as large unincorporated areas. The lead planning body for the CoC is the Homeless Action Partnership (HAP), founded in 2003, a community

wide action team that meets regularly to implement and coordinate a CoC strategy for preventing and ending homelessness. The full HAP includes 30 active organizational and individual members representing all geographic parts of the county, as well as a broad range of stakeholder categories such as nonprofit homeless assistance providers, victim service providers, faith-based organizations, government departments, advocates, public housing authority, school districts, social service providers, mental health agencies, health providers, affordable housing developers, Veterans service providers, youth service providers, and persons with lived experience of homelessness.

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

The CoC and City of Santa Cruz work closely together to address the needs of varied homeless populations, including persons experiencing chronic homelessness, families with children, Veterans, and unaccompanied youth, as well as the needs of persons who are at risk of homelessness. These efforts are guided and defined by the CoC's and the community's 2015 homeless strategic plan, called *All In - Toward A Home For Every County Resident (All In)*. Beginning in spring of 2021, the HAP and CoC are working on some new initiatives such as the Housing for a Healthy Santa Cruz Three-Year Framework and creating a new governance framework. We anticipate some changes to the current *All In framework* which is currently as below:

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

Recently, in 2020, the County and HAP with City collaboration retained Focus Strategies, a nationally known homelessness consulting group, to carry out an assessment of the county homelessness crisis response system. Now, they are beginning the process of conducting strategic planning that will build on and refine *All In*, affirm the need for a regional response to homelessness, and integrate a series of recommendations coming out of Focus strategies-led working groups.

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

The City of Santa Cruz consults and coordinates with the HAP in all activities regarding Emergency Solutions Grants (ESG), performance standards and evaluation, and HMIS policies and procedures. Regarding ESG, Santa Cruz County agencies compete annually for Emergency Solutions Grant (ESG) funds through a State of California-administered ESG program. Under the State program, the HAP is responsible for reviewing and recommending local applications for competitive Balance of State ESG funds and for selecting local applications for noncompetitive Rapid Rehousing (RRH) funds. During regular HAP meetings, members discuss applications and contribute to the setting of priorities for ESG funds. The HAP Board (on which the City holds a seat) makes all ESG project decisions based upon a fair, impartial process that includes consideration of needs, priorities, performance, and project design.

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

Finally, under the direction of HAP, local homeless service providers use HMIS, which is a computerized data collection tool designed to capture client level information over a period of time. The City has participated in all aspects of HMIS implementation and operating, including oversight of Community Technology Alliance (CTA) as the HMIS lead agency, selection of BitFocus Clarity as the new HMIS software, development and updating of HMIS agreements and policies and procedures around client confidentiality, data collection, computer entry, training, security, user fees, integration of HMIS with CES, and reporting. The HAP's HMIS Policy Committee addresses all HMIS issues, bringing discussions as needed to the full HAP for policy and other significant decisions. HMIS data are used for case management, CES operations and data sharing, HUD reporting, program performance measurement, system performance measurement, and measuring outcomes under this Consolidated Plan.

Recently, in spring of 2021, the CoC announced that as part of the anticipated updating of the CoC governance framework it also the creation of a special subcommittee to address HMIS and other operational and data collection policies and implementation frameworks.

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

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	City of Santa Cruz
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Hazard Mitigation
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Meeting with City Department Heads to identify infrastructure and other community priorities is done on an ongoing basis and are in sync with the needs previously identified in the latest Consolidated Plan, with an ever more urgent need for resources following the recent COVID-19 pandemic.
2	<b>Agency/Group/Organization</b>	County of Santa Cruz
	<b>Agency/Group/Organization Type</b>	Other government - County
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Lead-based Paint Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultations were done in meetings and telephone conference calls (special needs/housing). City staff participate in the County Housing Advisory Committee and HAP. CAO participated as a lead agency in the HAP strategic planning efforts. The outcome is better coordination, sharing of data and resources, especially during the COVID-19 pandemic when everyone is challenged to figure out new ways to administer programs and services.
3	<b>Agency/Group/Organization</b>	Nueva Vista Community Resource Center
	<b>Agency/Group/Organization Type</b>	Services for Hispanic Community and Youth
	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs Anti-poverty Strategy Hispanic community and NRSA needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultations by telephone, email and Zoom. The outcome is improved link with Hispanic communitys needs. Center is also an active part of the Citys Community Programs and attended Community Program public meetings.
4	<b>Agency/Group/Organization</b>	Housing Matters
	<b>Agency/Group/Organization Type</b>	Services-homeless
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Remote meetings (HAP and strategic planning process) and telephone conference calls. The anticipated outcome is better coordination and provision for the homeless community. Housing Matters is also an active part of the Citys Community Programs and participated remotely in Community Program public meetings.

5	<b>Agency/Group/Organization</b>	Encompass Community Services
	<b>Agency/Group/Organization Type</b>	Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultations by phone and email. Encompass is also an active part of the City's Community Programs and attended Community Program public meetings remotely. Outcome is better awareness of mental illness and its impact on chronic homeless and difficulties regarding permanent housing.
6	<b>Agency/Group/Organization</b>	SENIOR NETWORK SERVICES
	<b>Agency/Group/Organization Type</b>	Services-Elderly Persons
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultations by phone regarding senior issues. SNS is also an active part of the City's Community Programs and attended Community Program public meetings. Outcome is greater awareness of and inclusion of key issues affecting seniors regarding housing. Latest Area Agency on Aging in Santa Cruz County highlighted recent increases in homelessness as well as the continual challenge of paying for medical/dental costs.
7	<b>Agency/Group/Organization</b>	Habitat for Humanity Santa Cruz
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Housing
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultations in meetings regarding affordable housing and future funding opportunities. Outcome is successful pilot program, My House My Home, to help vulnerable seniors at risk of homelessness that also creates additional rental housing through an ADU program.
8	<b>Agency/Group/Organization</b>	Midpen Housing Corporation
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Housing
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultations in meetings regarding affordable housing. Recently passed State legislation is making it feasible to move forward on an expansion of an existing special needs housing development.
9	<b>Agency/Group/Organization</b>	COMMUNITY ACTION BOARD OF SANTA CRUZ.
	<b>Agency/Group/Organization Type</b>	Services - Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation in meetings and conference calls regarding emergency tenant based rental assistance during the COVID-19 pandemic. Outcome was utilizing CARES Act funding to create an emergency TBRA program during the pandemic and continuing to work as a partner through the 2021-2022 Program Year.
10	<b>Agency/Group/Organization</b>	Cruzio Internet
	<b>Agency/Group/Organization Type</b>	Services - Broadband Internet Service Providers



	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	For PY20 and Con Plan, Cruzio was contacted via email on a few occasions and via a phone call to discuss future plans for expanding internet in low income neighborhoods within Santa Cruz. We will continue to meet to hear how the plans develop and see how the City of Santa Cruz can partner in this endeavor. Another meeting is scheduled for Fall 2021.

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

Not applicable since all relevant agencies and organizations were consulted as needed. No Agency Types were knowingly excluded.

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

<b>Name of Plan</b>	<b>Lead Organization</b>	<b>How do the goals of your Strategic Plan overlap with the goals of each plan?</b>
Continuum of Care	County of Santa Cruz	The City of Santa Cruz is a financial partner and participant in the Santa Cruz County CoC. Appropriate goals and strategies from the ALL IN Plan were incorporated into the Consolidated Plan and related goals for PY2021 and the City will continue to use resources to support the CoC under its anticipated new homeless governance framework which is being developed as of the submission of this 2021-2022 AAP.
Housing Element	City of Santa Cruz	The Housing Element focuses on the provision of a variety of housing options for all income groups, with special attention for lower and moderate income households. The Consolidated Plan housing goals and objectives are consistent with the Housing Element as are any housing projects or programs funded under the Action Plan.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
CACH	City of Santa Cruz	Homelessness Committee Report and Recommendations (CACH)The recent 2020-2021 report and recommendations were a result of a six-month City Council Committee that worked to cooperatively exchange information and identify actions to change homelessness in our community. The Committee extensively researched practices, models and services from across the country that could work in Santa Cruz, with the City of Santa Cruz (City) in a strong partnership role with the County of Santa Cruz (County), the three other cities (Capitola, Scotts Valley, Watsonville), service providers, the faith community, and others.

**Table 3 – Other local / regional / federal planning efforts**

### **Narrative (optional)**

he County of Santa Cruz provides regional planning and coordination of services and service providers. The three areas of greatest interface with the County include: (1) the County Human Services Department (HSD) which is responsible for all welfare programs; (2) the Health Services Agency (HSA) which protects and improves the health of the people in Santa Cruz County by providing programs in Environmental Health, Public Health, behavioral health, and clinical services; and (3) the Housing Division of the Planning Department which is responsible for the HAP (coordinates meetings, planning efforts, homeless counts, and the Continuum of Care application).

Additionally the office of the County District Attorney provides Fair Housing counseling and assistance to the community. City staff and elected officials also participate in County Commissions and Boards, such as the Regional Transportation Commission and the Workforce Investment Board of Santa Cruz County. The HAP and regional commissions and boards typically involve all other jurisdictions within Santa Cruz County.

The City works with the State Housing and Community Development (HCD) Department on housing related projects that are funded by the state.

Housing Authority of the County of Santa Cruz (HA) provides support for the City's housing programs on an as needed basis, including income qualifying tenants and buyers in the City's affordable housing programs (Measure 0 for sale and rental programs) and manages the City's Security Deposit Program. The Housing Authority manages the Section 8 Program, which provides rental assistance to very-low income residents. HA staff has also provided invaluable assistance in preserving "at-risk" affordable housing by helping the City encourage renewal of the HUD contracts for the City's Project Based Section 8 developments.

## **AP-12 Participation – 91.105, 91.200(c)**

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

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

- A Community Program Committee (CPC) meeting was held on February 25, 2021. Although CPC meetings are primarily for non-profit service providers, there is a public noticing process and the public is always welcome.
- The proposed Action Plan budget was discussed in a noticed and advertised City Council Public Hearing held on March 23, 2021.
- The draft Action Plan was discussed in a noticed and advertised City Council Public Hearing held on April 27, 2021.

The 2021-2022 Action Plan was available for public review during a public comment period from February 21 through March 23rd, 2021. A public notice announcing its availability was published in the Santa Cruz Sentinel on February 21, 2021. A second public hearing on April 27, 2021 was followed by a 15 day public review period beginning on May 7 to 22nd. Final submission of the 2021-2022 AAP is on June 16, 2021.

The City of Santa Cruz is planning to expand and broaden citizen participation. In May of 2021, we led an affordable housing bike tour and provided a self-guided tour map to increase citizen engagement and knowledge of existing and upcoming housing projects. Additionally, we will create outreach and training to instruct sub-recipients on the CDBG and HOME application process which will be an opportunity to seek input from local agencies including an expanded FAQ page and online resources. The Housing Team is also updating online resources to improve access for those seeking information and resources. As part of fulfilling recommendations of the Housing Blueprint Subcommittee we created an interactive affordable housing map, and we will continue to do outreach and engagement around Housing.

## Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community Service Providers	A majority of CDBG Applicants attended the meeting on February 25, 2021 via Zoom. All attendees were provided with the opportunity to speak to the CPC.	All of the applicants present spoke in favor of their program or project and asked the CPC to consider funding.	No comments were not accepted, everyone who desired to speak was able to do so.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Hearing	Non-targeted/broad community	This was a noticed Public Hearing on March 23, 2021. About 20 persons were in attendance.	Edgar Landeros, Nueva Vista Program Manager spoke in support of funding the Nueva Vista program.	No comments were not accepted, everyone who wished to speak was able to do so.	<a href="https://ecm.cityofsantacruz.com/OnBaseAgendaOnline/Meetings/ViewMeeting?id=1621&amp;doctype=3">https://ecm.cityofsantacruz.com/OnBaseAgendaOnline/Meetings/ViewMeeting?id=1621&amp;doctype=3</a>

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Hearing	Non-targeted/broad community	This was a noticed Public Hearing on April 27, 2021. About 20 members of the public were in attendance.	One member of the public spoke at the public hearing about problems with landlords raising rents and evictions occurring without cause. The suggestion was that more is needed for homeless prevention.	No comments were not accepted.	

**Table 4 – Citizen Participation Outreach**





## Expected Resources

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

#### Introduction

The City of Santa Cruz is a CDBG and HOME Program entitlement jurisdiction and will receive \$627,351 in CDBG funds and \$396,141 in HOME funds for the 2021-2022 Program Year. The City does not receive funding under HUD's other two entitlement programs which include the Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) programs. In terms of program income, the City receives only a small annual amount from scheduled loan payments with larger amounts coming from periodic loan payoffs. Program income for the 2021-2022 Program Year is expected to be \$35,000 for the CDBG Program and \$30,000 for the HOME Program.

This section is intended to describe various resources that are expected to be available to meet the goals of the 2021–2022 Action Plan. The list does not include all sources that eventually are expected to be used. These Resources are financial, involve partnership opportunities, and include ability to leverage additional funds.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	627,351.00	35,000.00	70,000.00	732,351.00	1,800,000.00	City receives funds annually from HUD. Used to fund Community Programs; Code Enforcement, Infrastructure & Facility Improvements; Housing Development; and Program Delivery Costs for -2 Housing Programs.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	396,141.00	30,000.00	0.00	426,141.00	1,000,000.00	City receives funds annually from HUD. Used to fund Housing Development, rehab, and Security Deposit Programs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
General Fund	public - local	Admin and Planning Economic Development Housing Public Improvements Public Services TBRA	200,000.00	0.00	0.00	200,000.00	0.00	General Funds are annually used for community/social service and homeless programs plus emergency housing assistance (TBRA) through CAB.
LIHTC	public - state	Acquisition Housing Multifamily rental new construction Multifamily rental rehab	21,000,000.00	0.00	0.00	21,000,000.00	0.00	Funding is dependent upon individual projects receiving tax credits. The Pacific Station South affordable housing projects is expected to apply for LIHTC in the 2021-2022 Program Year.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Redevelopment Fund	public - local	Multifamily rental new construction	897,014.00	0.00	0.00	897,014.00	0.00	Approximately \$900,000 of former redevelopment bonds that are set aside for housing are allocated to the Metro Station Project(s).
Other	private	Public Services TBRA	47,000.00	0.00	0.00	47,000.00	0.00	Red Cross funding is provided for emergency eviction prevention, security deposits and community center activities in the City's NRSA.
Other	public - federal	Admin and Planning Public Services Other	0.00	0.00	0.00	0.00	0.00	As of submission of the plan, it is not anticipated that the City of Santa Cruz will receive any additional CDBG-CV.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Acquisition Admin and Planning Homebuyer assistance Housing Multifamily rental new construction Multifamily rental rehab	6,200,000.00	0.00	0.00	6,200,000.00	0.00	Source is LHTF and PLHA State HCD grants. The City is proactively applying for several other grants that can affect the number and may increase the amount available for the remainder of the Con Plan.

**Table 5 - Expected Resources – Priority Table**

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

The extent of needs in the City Santa Cruz far exceeds the available funding from the CDBG and HOME programs. Most activities to be pursued by the City with CDBG and HOME funds will be leveraged with a variety of funding sources, including: grants from State, Federal, and local governments; private foundations; capital development funds; general funds; private donations of funds or services; and other various funding sources. With the demise of Redevelopment Agencies in California, the federal Low Income Housing Tax Credit (LIHTC) program has become an increasingly more important source of funding for affordable housing. In recent years, the City has applied for State grants and private grants such as PLHA, LHTF, Apple and AHSC funding for transit oriented housing development.

Federal match requirements apply to the City's HOME funds. The HOME program requires that for every HOME dollar spent, the City must provide a 25 percent match with non-federal dollars. Currently, the City still maintains an excess in match requirements from previous fiscal years of over \$11 million. This excess match will fulfill the City's HOME match requirements for many years at the current level of HOME funding.

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

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

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

**Discussion**

See discussions above.



## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Support County-wide Homeless Strategic Plan	2020	2024	Homeless		Homeless Assistance Programs	CDBG: \$236,092.00 General Fund: \$1,485,000.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5000 Persons Assisted Homeless Person Overnight Shelter: 570 Persons Assisted
2	Increase and preserve affordable housing	2020	2024	Affordable Housing		Affordable Housing	HOME: \$100,000.00 General Fund: \$20,000.00 LIHTC: \$21,000,000.00 Redevelopment Fund: \$897,014.00 Red Cross: \$22,000.00 State Funding: \$6,200,000.00	Tenant-based rental assistance / Rapid Rehousing: 75 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Revitalize community facilities & infrastructure.	2020	2024	Non-Homeless Special Needs Non-Housing Community Development			CDBG: \$167,289.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2000 Persons Assisted
4	Provide community and supportive services.	2020	2024	Non-Housing Community Development		Community Services and Youth Programs	CDBG: \$190,000.00 General Fund: \$1,275,000.00 Red Cross: \$25,000.00	Public service activities other than Low/Moderate Income Housing Benefit: 4500 Persons Assisted

Table 6 – Goals Summary

## Goal Descriptions

1	Goal Name	Support County-wide Homeless Strategic Plan
	Goal Description	Annual funding for homeless services allocated in the 2021-2022 Action Plan includes homeless infrastructure activities to improve shelter and other homeless facilities. General fund allocations of over \$1M are going to shelter, outreach, education, training and other homelessness prevention and services. A portion of the County-wide Continuum of Care grant is based proportionally on the City's population (21%). Rapid Rehousing is included under a previous housing goal since the Security Deposit Program is not limited to use by homeless persons.

<b>2</b>	<b>Goal Name</b>	Increase and preserve affordable housing
	<b>Goal Description</b>	For the 2021-2022 PY, affordable housing projects include development of a 70 unit affordable rental project for Pacific Station South in collaboration with For the Future Housing. Though, construction completion is not expected within the upcoming program year, so funds are not yet allocated for this and other upcoming projects. Housing related goals include: (1) provision of about 75 security deposits. More information on City sponsored affordable housing projects not yet receiving HOME funding can be found in AP-85.
<b>3</b>	<b>Goal Name</b>	Revitalize community facilities & infrastructure.
	<b>Goal Description</b>	2021-2022 Program Year includes: (1) senior center renovations (2) homeless infrastructure renovations (goal included here, but funding included in Goal 1 to support the Homeless Strategic Plan) and the (3) Senior Center Studio at Loudon Nelson Community Center.
<b>4</b>	<b>Goal Name</b>	Provide community and supportive services.
	<b>Goal Description</b>	The City of Santa Cruz provides General Funds support to over 70 social service programs that are operated by over 50 organizations. CDBG funding is allocated to a portion of these programs to expand and increase available funding. During the 2021-2022 PY, CDBG funding will be provided for Nueva Vista Community Resources (includes Nueva Vista and Beach Flats Community Centers) which is an independent program under Community Bridges, California Rural Legal Assistance (CRLA), and the Teen Center. Nueva Vista Community Resources is designated as a Community Based Development Organization (CBDO) by the City of Santa Cruz. It primarily serves the Beach South of Laurel and Lower Ocean Street Neighborhood Revitalization Strategy Area. CDBG funding for HSC and Outcome Indicators are included under goal #3.

## Projects

### AP-35 Projects – 91.220(d)

#### Introduction

This section includes the projects proposed for the 2021-2022 Program Year.

#### Projects

#	Project Name
1	2021PY HOME Program Administration
2	2021PY CHDO Set-Aside
3	2021PY Security Deposit Program
4	2021PY Second Harvest Food Bank
5	2021PY Nueva Vista Community Resources NRSA
6	2021PY California Rural Legal Assistance
7	2021PY Teen Center NRSA
8	2021PY Market St. Senior Center Renovations
9	2021PY Rehabilitation Program Delivery Costs
10	2021PY CDBG Program Administration
11	2021PY Homeless Infrastructure
12	2021PY Senior Studio - NRSA
13	PY21 HOME Future Affordable Housing Projects
14	2021PY Central Park

**Table 7 - Project Information**

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

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

**AP-38 Project Summary**  
**Project Summary Information**

1	<b>Project Name</b>	2021PY HOME Program Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	HOME: \$42,614.00
	<b>Description</b>	Administration funding would partially support 4 staff persons, training and other expenses incurred for operation of the HOME Program.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A for administration
	<b>Location Description</b>	337 Locust St. Santa Cruz, CA
	<b>Planned Activities</b>	Administration of HOME Program.
2	<b>Project Name</b>	2021PY CHDO Set-Aside
	<b>Target Area</b>	
	<b>Goals Supported</b>	Increase and preserve affordable housing
	<b>Needs Addressed</b>	Homeless Assistance Programs Affordable Housing
	<b>Funding</b>	HOME: \$59,421.00
	<b>Description</b>	The City of Santa Cruz currently has two CHDO organizations, MidPen, and Habitat for Humanity. Neither applied for funding this year. We are actively encouraging a nearby CHDO, First Community Housing (FCH) to apply for CHDO status in Santa Cruz, as FCH is working on a number of HOME eligible projects in the coming years.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	City-wide
	<b>Planned Activities</b>	No activities are planned at this time, these funds will be combined with prior year CHDO set-aside funding when a local CHDO is ready to apply.

<b>3</b>	<b>Project Name</b>	2021PY Security Deposit Program
	<b>Target Area</b>	
	<b>Goals Supported</b>	Support County-wide Homeless Strategic Plan Increase and preserve affordable housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	HOME: \$100,000.00 Red Cross: \$11,000.00 State Funding: \$100,000.00
	<b>Description</b>	This is an on-going program supported by the City to provide security deposit assistance for approximately 75 low, very-low, and extremely low income households to enable them to secure rental housing. Security deposit loan funding is provided by HOME Program and Red Cross Funding. The County of Santa Cruz Housing Authority (HA) administers the Program. The project qualifies for HOME Program funding under 24 CFR, Part 92.205(a) for tenant based rental assistance/security deposits.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Program will help about 75 low-, very-low, and extremely-low income households into rental housing who lack money for a security deposit. Program is also used to assist the 180/2020 Program in housing the most medically vulnerable and chronically homeless persons.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Activities include processing applications, providing loans to qualified applicants for security deposits, distributing funds to landlords, and receiving reimbursements when tenant vacates unit.
<b>4</b>	<b>Project Name</b>	2021PY Second Harvest Food Bank
	<b>Target Area</b>	Neighborhood Revitalization Strategy Area
	<b>Goals Supported</b>	Provide community and supportive services.
	<b>Needs Addressed</b>	Community Services and Youth Programs
	<b>Funding</b>	CDBG: \$25,000.00

	<b>Description</b>	The ability to ensure basic healthy foods reach those in need in the City of Santa Cruz has been impacted by COVID-19. Since March 2020, Second Harvest Food Bank has recognized the rippling impact of COVID-19. During the countywide Shelter-in-Place order there was a tripling of the number of people attending food bank distributions and a ten-fold increase in the number of calls to the community food hotline. These distributions are serving roughly 25,000 people needing food assistance county-wide with a large portion residing within the City of Santa Cruz, including newly unemployed and furloughed residents. Though infection rates are decreasing and no CDBG-CV funding remains, the need remains great for PY2021. National Objective: LMCMatrix Code: 5W Food Banks Presumed benefit: No
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	25,000 low income persons, mostly extremely low and very low income.
	<b>Location Description</b>	Beach flats food pickup as main distribution and citywide in food pantries all over the City.
	<b>Planned Activities</b>	Food distribution at location within NRSA and at foodbanks throughout the City of Santa Cruz.
5	<b>Project Name</b>	2021PY Nueva Vista Community Resources NRSA
	<b>Target Area</b>	Neighborhood Revitalization Strategy Area
	<b>Goals Supported</b>	Provide community and supportive services.
	<b>Needs Addressed</b>	Community Services and Youth Programs
	<b>Funding</b>	CDBG: \$100,000.00 General Fund: \$55,000.00 Red Cross: \$25,000.00



	<b>Description</b>	Activity provides for operating expenses for Nueva Vista Resources, which includes the Nueva Vista Resource Center (formerly known as Familia Center) and the Beach Flats Community Center. Nueva Vista Resources is a Latino based center with a primary focus to serve the low-income families in the Lower Ocean Street and Beach Flats Neighborhood, including community services and youth programs. Nueva Vista is designated as a qualified CBDO which operates under Community Bridges. This project will be linked to two separate activities. Matrix Code: 5D and 5Z Eligible Activity: Youth Services National Objective: LMC- Low/Mod Limited Clientele Presumed Benefit: N
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Statistically there are about 7,115 individuals in the NRSA, which is the primary target for these programs. Of those, with combined program efforts of both Nueva Vista and Community Bridges, about 1,200 individuals will benefit from program services. The NRSA neighborhood has the largest minority (Hispanic) populations in the City. About 40% are Hispanic versus 21% City-wide.
	<b>Location Description</b>	2017-2022 Lower Ocean- Beach/South of Laurel Neighborhood Revitalization Strategy Area
	<b>Planned Activities</b>	Nueva Vista Resource Center (formerly known as Familia Center), has two programs assisted with CDBG funding. The first program is Client Services which provides assistance to families through advocacy and support, information, referrals, follow up, educational workshops, youth enrichment programs, emergency food and clothing, and assistance with enrollment into government programs including CalFresh, MediCal and Covered CA. The second program is located at the Beach Flats Community Center which provides youth programs and activities as well as serving as a community center for the neighborhood.
6	<b>Project Name</b>	2021PY California Rural Legal Assistance
	<b>Target Area</b>	
	<b>Goals Supported</b>	Provide community and supportive services.
	<b>Needs Addressed</b>	Community Services and Youth Programs
	<b>Funding</b>	CDBG: \$25,000.00 General Fund: \$25,000.00

	<b>Description</b>	California Rural Legal Assistance, Inc. (CRLA) will provide assistance to low-income residents of the City of Santa Cruz on a range of housing matters, to help individuals and families make informed decisions and to take action to obtain, maintain, or improve their housing situation. CRLA will accomplish this through individual assistance, including legal representation when necessary. Matrix Code: 5CEligible Activity: Legal ServicesNational Objective: LMC- Low/Mod Limited Clientele
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	95 City low, very low and extremely low income residents in approximately 45 households including homeless persons and those in housing crises.
	<b>Location Description</b>	The program operates city-wide.
	<b>Planned Activities</b>	Education, outreach, and legal representation as needed, all related to Housing.
7	<b>Project Name</b>	2021PY Teen Center NRSA
	<b>Target Area</b>	Neighborhood Revitalization Strategy Area
	<b>Goals Supported</b>	Provide community and supportive services.
	<b>Needs Addressed</b>	Community Services and Youth Programs
	<b>Funding</b>	CDBG: \$40,000.00 General Fund: \$120,000.00
	<b>Description</b>	CDBG funds will be used toward staff costs for the Teen Center to provide a safe place and programs for teens in a low-income area of the City.Matrix Code: 5DEligible Activity: Youth Services National Objective: LMC- Low/Mod Limited ClientelePresumed Benefit: N
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	It is estimated that about 350 Teens participate in the program throughout the year. Over 50% are from households that are at or below 30% of Area Median Income (AMI) with almost 75% being below 50% AMI.
	<b>Location Description</b>	Low-income target area within to the NRSA

	<b>Planned Activities</b>	The Teen Center has daily activities including a healthy eating program, an outdoor garden, homework assistance with access to 4 computers and free Wi-Fi, games such as foosball and a pool table, and direct access to Laurel Park. Additionally the Center provides mentorship opportunities for teens. The Teen Center also collaborates with other organizations to provide field trips and other experiences. In the past this has included a 2-day, 2-night camping/white water rafting trip on the American River.
8	<b>Project Name</b>	2021PY Market St. Senior Center Renovations
	<b>Target Area</b>	
	<b>Goals Supported</b>	Revitalize community facilities & infrastructure.
	<b>Needs Addressed</b>	Community Facility Improvements
	<b>Funding</b>	CDBG: \$110,000.00
	<b>Description</b>	Rehabilitation including ADA improvements, lighting and electrical, mold remediation, plumbing and fixtures. Note: total project scope will be reduced to accommodate the allotment of funds as there are no other sources.National Objective: LMC- presumed benefitMatrix Code: 3A Senior Centers
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Annual, the center helps around 250 very low income, extremely low income and low income seniors
	<b>Location Description</b>	Market St. Senior Center at 222 Market St. in Santa Cruz
	<b>Planned Activities</b>	Rehab of building.
9	<b>Project Name</b>	2021PY Rehabilitation Program Delivery Costs
	<b>Target Area</b>	
	<b>Goals Supported</b>	Increase and preserve affordable housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	CDBG: \$6,500.00
	<b>Description</b>	Activity provides funding for Unified Housing Rehabilitation Program (UHRP) consultant contract to administer existing UHRP loans and staff costs for new rehab projects. Matrix Code: 14HEligible Activity: Rehab: AdministrationNational Objective: LMH-Low/Mod HousingPresumed Benefit: N

	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	All participants in UHRP are low-, very low- or extremely low-income, approximately 10.
	<b>Location Description</b>	UHRP is city-wide
	<b>Planned Activities</b>	Consultant administers existing UHRP loans. Staff oversees and monitors current and past rehabilitation projects and agreements.
<b>10</b>	<b>Project Name</b>	2021PY CDBG Program Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	Planning and Administration
	<b>Funding</b>	CDBG: \$132,470.00
	<b>Description</b>	Administration funding would partially support 3 staff persons, training and other expenses incurred for operation of the CDBG and related consultant contracts for planning and administration. Matrix Code: 21A Eligible Activity: General Program Admin
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	Economic Development Department offices are located at 337 and 330 Locust St.
	<b>Planned Activities</b>	Administration of CDBG and HOME Programs.
<b>11</b>	<b>Project Name</b>	2021PY Homeless Infrastructure
	<b>Target Area</b>	
	<b>Goals Supported</b>	Support County-wide Homeless Strategic Plan
	<b>Needs Addressed</b>	Homeless Assistance Programs Community Facility Improvements
	<b>Funding</b>	CDBG: \$236,092.00

	<b>Description</b>	Construction and/or repair of homeless infrastructure including: hygiene bay renovations, rehabilitation of homeless facilities, designated homeless bathrooms, site acquisition for homeless facilities, design costs for homeless facilities and project management for homeless infrastructure projects.National Objective: LMC presumed benefitMatrix Code: 3C Homeless Facilities
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	1000 Extremely Low Income
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Homeless infrastructure rehab and construction
<b>12</b>	<b>Project Name</b>	2021PY Senior Studio - NRSA
	<b>Target Area</b>	Neighborhood Revitalization Strategy Area
	<b>Goals Supported</b>	Revitalize community facilities & infrastructure.
	<b>Needs Addressed</b>	Community Facility Improvements
	<b>Funding</b>	CDBG: \$50,000.00
	<b>Description</b>	Foundation, electrical hookups and ADA ramp for installation of an existing modular unit to be used as a studio for the senior residents.National Objective: LMC- presumed benefitMatrix Code: 3A Senior Centers
	<b>Target Date</b>	6/30/2023
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	250 very low income, extremely low income and low income seniors
	<b>Location Description</b>	Louden Nelson Community Center
	<b>Planned Activities</b>	Foundation, ramp and electrical hookups.
<b>13</b>	<b>Project Name</b>	PY21 HOME Future Affordable Housing Projects
	<b>Target Area</b>	
	<b>Goals Supported</b>	Increase and preserve affordable housing
	<b>Needs Addressed</b>	Affordable Housing

	<b>Funding</b>	HOME: \$224,106.00 LIHTC: \$21,000,000.00 Redevelopment Fund: \$897,014.00 State Funding: \$6,064,000.00
	<b>Description</b>	This funding is intended to be awarded to Affordable Housing Projects. Upcoming projects that are good candidates for this funding include the Pacific Metro Station projects which will have over 100 units, and the Library Mixed-use Project. Projects have to have all other funding secured, subsidy layering completed and a financial analysis that the costs are all reasonable per HUD guidelines. This amount can be added to prior funding set aside for HOME Affordable housing project, unused administration funding from prior years, and unclaimed CHDO funds.
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This funding amount will likely be enough to fund 1 HOME assisted unit, but as there are no projects ready to receive HOME funding, the estimate will be 0 for this program year. The goal will be updated when HOME funding is awarded to a project as the last money in.
	<b>Location Description</b>	City wide.
	<b>Planned Activities</b>	Affordable housing demolition, acquisition, construction, pre-development activities as permitted, subsidy layering reviews, environmental reviews and other costs as permitted for HOME Affordable Housing creation.
<b>14</b>	<b>Project Name</b>	2021PY Central Park
	<b>Target Area</b>	
	<b>Goals Supported</b>	Revitalize community facilities & infrastructure.
	<b>Needs Addressed</b>	Community Facility Improvements
	<b>Funding</b>	CDBG: \$7,289.00
	<b>Description</b>	Additional allocation will cover funding gap for park renovation including: ADA improvements and improved playground features for residents in low income neighborhood. Matrix Code: 3F Eligible Activity: Parks, Recreational Facilities National Objective: LMA- Low and Moderate Income Area Benefit
	<b>Target Date</b>	6/30/2022

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	There are 7,126 residents in this census tract, 23% are living below the poverty line and about 60% are at the low-mod level. This is additional funding added to the project extends the ADA accessible portion of the playground, so the goals were already included in the 2019 Program year, so will not be included below to not double count the outcome.
	<b>Location Description</b>	Central Park project is located on Dakota Ave
	<b>Planned Activities</b>	Park renovation.

## **AP-50 Geographic Distribution – 91.220(f)**

### **Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

The City of Santa Cruz has only one geographic based target area as follows.

**Level 1 Target Area:** Neighborhood Revitalization Strategy Area (NRSA): Concurrent with the approval of the 2017-2018 Action Plan, the Lower Ocean/Downtown/River Neighborhood Revitalization Strategy Area (NRSA) was established effective from 2017-2022. The neighborhoods within this new NRSA have the lowest incomes in the City. According to the U.S. Census Bureau, over 40% of NRSA households are at or below poverty level, which is about twice as high the City as a whole, and over 75% of the area meets the HUD definition of Low-mod. The NRSA is also home to highest concentration of Hispanic residents (40% versus 21% City-wide).

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Neighborhood Revitalization Strategy Area	32

**Table 8 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

The rationale for prioritizing or focusing programs, projects, and services in the NRSA is that they can better serve as a catalyst for change by locating and supporting services closer to the highest areas of need. Projects or programs located in or adjacent to a Target Area are given more consideration even when their services are provided city-wide since the service, program or project is likely to be more easily accessible to low-income households. Also, the potential infusion of money into an area is an added benefit.

### **Discussion**

See discussion above.



## Affordable Housing

### AP-55 Affordable Housing – 91.220(g)

#### Introduction

Due to the limited amount that the City receives in HOME and CDBG funds, it is difficult to fund larger new housing developments. Though, HOME funds can be leveraged with other City housing trust funds and state and private grants to make projects more feasible. The City plans to utilize HOME funds to support its authorized housing activities, including the Security Deposit Program and to fund a small portion of larger housing projects such as the Metro Project, Library Mixed Use Project or the Jessie St. Project. Since the larger projects are not anticipated to have funding commitments in the upcoming Program Year, they are left out of the table below. Also in support of housing programs, CDBG funds will be used to provide program delivery costs for the Security Deposit Program and the City's Unified Housing Rehabilitation Program (UHRP). HOME funding will also be used for emergency eviction prevention TBRA funding. Relocation Funds that were available for reallocation are also available to fund TBRA programs, about \$200,000 will be available over the next two years.

One Year Goals for the Number of Households to be Supported	
Homeless	10
Non-Homeless	65
Special-Needs	0
Total	75

**Table 9 - One Year Goals for Affordable Housing by Support Requirement**

One Year Goals for the Number of Households Supported Through	
Rental Assistance	75
The Production of New Units	0
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	75

**Table 10 - One Year Goals for Affordable Housing by Support Type**

#### Discussion

See above.

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

The Housing Authority of Santa Cruz County (HA) is not a department of the City of Santa Cruz. However 3 Public Housing projects owned by the HA are located in the City. There is a total 234 Public Housing units in the County. There are over 5,000 vouchers administered by the Housing Authority; approximately 20%, are within the City of Santa Cruz, with 6% in the County of San Benito and the remainder within the greater county of Santa Cruz.

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

Although no HOME or CDBG funds have been allocated to the HA for Public Housing, City staff will continue to interface with the HA regarding the development of affordable housing. The HA, which oversees all Public Housing in the County, has been approved for Section 22 Streamlined Voluntary Conversion (SVC) of Public Housing to Tenant Protection Vouchers (TPV). The conversion will benefit the tenants, the HA and the community. The tenants will benefit by both stability and mobility: they can remain in their units with affordable rent or move with the voucher to an area of their choice. The community will benefit by the retention of affordable housing units with a more appropriate funding stream. The current Capital Fund Program (CFP) is the only funding for public housing agencies to rehabilitate the aging public housing stock, and generally doesn't provide adequate funding for this goal. SVC and the resulting TPV funding will solve this. The focus of the Housing Authority is to expand its affordable housing.

The Housing Authority of the County of Santa Cruz has a Request for Proposals posted on the website to support the Agency's goal of expanding the supply of affordable housing. The Housing Authority is increasing its Project Based Voucher stock with 45 of the units within the City of Santa Cruz, and an additional 151 units in the greater county.

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

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

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

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

Not applicable to the City of Santa Cruz, as the PHA is categorized as a high performer.

**Discussion**

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

The Housing Authority also partners with countywide agencies to provide special voucher programs to target homelessness prevention and supported housing programs.

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

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

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

The City of Santa Cruz continues to have a strong commitment to providing services to homeless population as demonstrated by the level of funding provided by the City for homeless services. The priority that is placed on addressing homelessness is also reflected in the 2021-2022 AAP.

Currently the Housing Matters campus is one of the key centers for services to homeless within the City of Santa Cruz. CCBG funds in the amount of \$460,957 were awarded in PY20 for renovations to the Housing Matters Hygiene Bay, critically needed to provide toilets and showers for sheltered and unsheltered homeless persons. In addition, \$236,092 is recommended for additional homeless infrastructure in PY 21 to meet community needs to respond effectively to the homelessness crisis acutely felt in the City.

\$100,000 in HOME funds, matched by \$11,000 in Red Cross funds are being recommended for security deposits, although only a portion is set aside for the homeless, though all of the funding helps with homelessness prevention and there is no cap set at how many homeless individuals or families may receive this form of TBRA assistance. So, the funds not set aside for the homeless will help in homelessness prevention.

In addition, the City is committed to providing substantial funding to support and sustain increased homeless outreach services, a mobile mental health and police partnership program, and the Downtown Streets Team outreach and jobs programs. Over the last year during the pandemic, the City has initiated a Safe Parking Program, and coordinated many camp cleanups, and other encampment support to increase hygiene in this vulnerable population. Still, there is a great unfunded need.

Finally, the City is committed to collaborating with the County and CoC to implement our CoC system and secure State and other funds to continue supporting a range critically needed emergency service interventions and infrastructure investments in support of our three-phased transition from a temporary managed campground, to an interim 1-2 year homeless shelter, to a permanent Navigation Center shelter. With the upcoming \$1.4 million HOME ARP funding available, the City hopes to find effective ways to support this population.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

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

The City of Santa Cruz will continue to support services at Housing Matters, Salvation Army, Safe Parking Programs, pandemic related emergency encampment cleanups, hygiene improvements and other

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

- **Downtown Outreach Team** engages homeless individuals in the City's downtown and connects them to needed resources such as mental health or substance abuse treatment, social services, physical health services, financial benefits, transportation, meals, emergency shelter and longer term housing. The goal is to reduce the need for criminal justice involvement and psychiatric hospitalization, and assist individuals in making the transition out of homelessness.
- **H.E.R.O.: The Homeless Engagement Resources Officers** links two police officers with the County's Homeless Outreach, Proactive Engagement Services (HOPES) Team, to better engage homeless people on the streets and connect them with appropriate behavioral health and other services.
- **Downtown Street Team** – contacts homeless persons and engages them in cleanups, beautification projects, weeding, maintenance, encampment/dumping cleanup across the City and in parks and open space, and support services in public garages as well as public restrooms, and hygiene and storage facilities.

### Addressing the emergency shelter and transitional housing needs of homeless persons

#### Housing Matters

- |                            |    |                        |
|----------------------------|----|------------------------|
| • Rebele Family Shelter    | 90 | Families with children |
| • Paul Lee Loft Shelter    | 40 | Adult men and women    |
| • Recuperative Care Center | 12 | Adult men and women    |

#### Encompass Community Services

- |                        |    |                                   |
|------------------------|----|-----------------------------------|
| • River Street Shelter | 32 | Adults mostly with mental illness |
|------------------------|----|-----------------------------------|

#### Association of Faith Communities

<ul style="list-style-type: none"> <li>Rotating Shelter Program</li> </ul>	20	Adults and families
Jesus Mary and Joseph Home		
<ul style="list-style-type: none"> <li>Jesus Mary and Joseph Home</li> </ul>	12	Families and terminally ill adults
Front Street, Inc.		
<ul style="list-style-type: none"> <li>Paget Center</li> </ul>	12	Veteran adults
Monarch Services		
<ul style="list-style-type: none"> <li>Mariposa House DV Shelter</li> </ul>	18	Families fleeing DV
Salvation Army		
<ul style="list-style-type: none"> <li>Laurel Street Shelter</li> </ul>	55	Single adults and families
Siena House		
<ul style="list-style-type: none"> <li>Emergency Shelter</li> </ul>	10	Pregnant Women
TOTAL	301	

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

The City is an active participant in the County's CoC, Homeless Action Partnership (HAP), which meets regularly to plan and implement strategies to assist all homeless populations to become permanently housed and independent, and tracking progress toward shortened periods of homelessness, increased access to permanent housing, and preventing homelessness recidivism. In the most recent HAP meeting in April 2021, HAP announced a shift which will involve a rebranding and renaming of the Homeless Action Partnership as well as a substantial reorganization of its governance structure. The City hopes to remain actively involved in future forms the CoC will take. In addition, the City has a seat on the current HAP Governance Board, which makes key policy and funding decisions for competitive CoC, ESG, and State funding programs, and on the HAP Executive Committee, which coordinates homelessness collaboration and funding among County departments and Cities. Key objectives the City intends to support include: Participate in allocating CoC, ESG, and State funding sources toward their best uses in

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

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

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

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

Promote prevention programs by making available security deposit funds to help people who have been evicted move into new housing.

## Discussion



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

### **Introduction:**

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

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

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

**Lack of Affordable Housing Funding and Cost of Development:** The City has several dedicated sources of funding for affordable housing including affordable housing set-aside funds remaining under the Successor Agency (Housing) following the closure of the City's Redevelopment Agency, the annual HOME Program grant, and in lieu funds which are deposited into the City's Affordable Housing Trust Fund. These funds are limited and cannot provide amount of affordable housing that is needed so that these funds must be heavily leveraged. Without the ability to significantly increase these funding sources, the City strategy to address this barrier is to encourage development of housing through development incentives or developer requirements to provide affordable inclusionary housing. The following activities will be pursued under the 2021-2022 Action Plan.

- Work with developers to encourage affordable housing development under the inclusionary housing ordinance and density bonus ordinance.

- Encourage smaller units and higher densities to lower developer and housing costs. During the 2021-2022 Program Year, the City will be revising the zoning ordinance to allow higher densities along transit corridors. Reduction of parking rates will also be considered which will significantly impact the number of units that can be built, and therefore the cost of development per unit.
- Implement an amnesty program to legalize existing unpermitted Accessory Dwelling Units (ADUs). In addition, consider reducing or eliminating parking requirements for detached new construction ADUs and modifying site and building standards to make it easier to build ADUs.
- Continue to encourage the development of new ADUs through the City's ADU Program by considering a reduction in ADU permitting fees.
- Implement the My House My Home ADU pilot program to help low-income seniors age in place with additional income from a new construction rental ADU in their backyard. Partner with Habitat for Humanity Monterey Bay to provide financing to build these ADUs.
- Determine what constitutes a large rent increase and draft regulations for relocation assistance when a tenant is forced to move because of a substantial rent increase.

**Planning and Development Fees:** The City continues to re-examine its fee structures to make sure they are in line with other jurisdictions. The City also has a fee Waiver Program for affordable housing development. This Fee Waiver Program will be reviewed and possibly amended during the 2021-2022 Program Year. With the goal of streamlining the City planning and permitting process, the Planning Department has applied for the SB 2 Planning grant funding.

**Permit and Processing Procedures:** The Planning Department is continuing to improve and streamline its permitting and processing procedures. Economic Development staff also helps facilitate affordable housing development projects through the City's process when possible. The City will also be updating its Analysis of Impediments to Fair Housing Choice within the first part of the 2021-2022 Program Year.

**Discussion:**

See above.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

This section reports additional efforts the City will undertake during the 2021-2022 program year to address residents' housing and community development needs.

### **Actions planned to address obstacles to meeting underserved needs**

The primary obstacles to meeting underserved needs in the City of Santa Cruz are limited funding and resources. The City will allocate over \$2 million in general fund dollars to its community program partners and for homeless programs to help meet the basic unmet needs of residents.

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

### **Actions planned to foster and maintain affordable housing**

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

- **Water Street Affordable Housing Project.** For the Future Housing is currently constructing a 41 unit affordable housing development that uses multiple sources of funding, including: City CDBG and HOME Program funds; former Redevelopment Agency bond proceeds; City Affordable Housing Trust Funds; Housing Authority of Santa Cruz County allocation of HUD project based Housing Choice Vouchers; and Federal 4% Low Income Housing Tax Credits.
- **Pacific Station Mixed Use Development.** Santa Cruz METRO and the City of Santa Cruz are partnering to redesign the transit center at Pacific Station with the potential to develop a multi-

story, mixed use building that would include approximately 100 units of new housing, a portion of which would provide new affordable housing units.

- **Zoning of Transportation Corridors.** The City Planning Department is in the process of amending the City zoning ordinance to allow higher densities along the City main transit corridors.
- **Inclusionary Housing Ordinance.** The ordinance requires developers of market rate ownership housing to include affordable ownership units. In 2018, the City revised its inclusionary housing ordinance.
- **Affordable Housing Trust Fund.** The City of Santa Cruz created its Affordable Housing Trust Fund (AHTF) in 2003 to help develop and preserve below-market-rate housing.
- **Former Redevelopment Agency funding** that has the potential to be re-allocated to affordable housing development if State Assembly Bill 411 (AB 411) passes.

### **Actions planned to reduce lead-based paint hazards**

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

### **Actions planned to reduce the number of poverty-level families**

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

The City also expects to fund numerous community agencies to provide services to enable people in poverty to attain self-sufficiency. These include services targeted toward people with disabilities, youth

programs and educational programs, child care for working parents, job seekers, and the homeless.

### **Actions planned to develop institutional structure**

In 2016, the City and County of Santa Cruz worked together to create a new coordinated approach for the County and City to fund safety net services in the community, called CORE. It emphasizes results and evidence-based spending over three years, focusing funding on eight priority areas: health and wellness, lifelong learning and education, economic stability, thriving families, community connectedness, healthy environments, safe and just communities and stable and affordable housing and shelter. CORE funding from the City and County will be used to implement practices based on Evidence-Based Practices (EBPs) to improve outcomes for the target populations. CORE is a funding allocation methodology used to coordinate the funding between the County and each of its jurisdictions to ensure that the resources spent County-wide are equitably distributed and that allows for viewing funding from all sources to be considered at the same time instead of piecemeal. The funded organizations and programs receive over \$5 Million of County and City funding for a diverse mix of youth oriented, homeless, senior, substance abuse and housing programming. More information on all of the programs funded can be found here: <http://www.co.santa-cruz.ca.us/COREInvestments.aspx> And, although the City and County fund recovery and addiction program, a gap identified by service providers is that there are not enough beds in recovery centers for all those that are referred, and the wait for addiction and substance abuse services is too long.

The City sits on the County COC led Homeless Action Board which is currently undergoing institutional reorganization. To improve coordination with the County, other non-profits and the public on Homeless issues, the City is currently hiring a Homeless Response Manager. In the meantime, the Planning Director has taken on additional Homeless coordination duties and within the Fire Department, emergency pandemic homeless coordination has been taken on by creation of an Emergency Response Coordinator, as the need for additional emergency coordination has been greatly increased during the COVID-19 Pandemic. One of the largest gaps for Homelessness in Santa Cruz is the lack of permanently affordable housing with supportive case management. At the Housing Matters Campus, over a 100 supportive housing units targeted for the homeless are being built and the City is trying to coordinate to build an enhanced navigation center. The HAP is also working to fund additional vouchers targeted for the homeless population, but the available funding will not provide enough vouchers for all those that would be eligible or that would need assistance.

Internally, City Departments use a series of Managed Meetings to promote greater coordination between all City Departments to minimize the duplication and maximize effectiveness of efforts. For example, a Managed Meeting was held as part of the coordinated outreach for the 2017-2022 NRSA Plan. The City will again reach out to all departments for the next NRSA, and will conduct outreach within the NRSA with residents and community organizations providing services in our lowest income census tracts.

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

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

In the 2021-2022 Program Year, the City will also continue to focus CDBG funding on providing services and upgrading infrastructure needs in the Target Areas. The City has a close working relationship with those providers funded both with CDBG and the City General Fund.

Recent countywide collaboration efforts include “All In”, the new strategic homeless plan. Throughout the Program Year, the City will participate in implementation of strategies through the countywide Continuum of Care Homeless Action Partnership (HAP).

### **Discussion:**

The majority of City of Santa Cruz activities furthering the goals of the Consolidated Plan are provided by community agency partners. This will continue to be the case in the 2021-2022 Program Year.

## Program Specific Requirements

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

#### Introduction:

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

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.220(I)(1)

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

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

#### Other CDBG Requirements

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



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

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

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

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

First Time Homebuyer Loan Recapture: Although the City does not currently have a First Time Homebuyer Program (FTH), loans made under the prior FTH Program (inactive for over 15 years), which was funded with State HOME as a funding source, require principal and contingent interest to be repaid upon sale or transfer of the property under the HOME recapture provisions at 24 CFR 92.254(a)(5)(ii)(A). Article IV(M)(7)(a) of the City's FTH Guidelines defines contingent interest as shared net appreciation. Article IV(M)(9) discusses "net proceeds" and provides the formula for recapturing same.

The City does not plan to allocate any HOME funding to homebuyer activities for the upcoming PY or in the near future. If these plans change, the City will update the plans (for the defunct State funded program) and submit for review and approval before proceeding.

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

The City does not plan to to allocate any HOME funds for homeownership under 24 CFR 92.254(a)(4). If these plans change, the City will submit guidelines for resale and recapture for review and approval before proceeding.

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

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

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).
7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

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

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