



## 2025-2029 City of Santa Cruz Consolidated Plan & 2025 Annual Action Plan



## **Executive Summary**

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

#### **1. Introduction**

The City of Santa Cruz (City) Consolidated Plan (Con Plan) is designed to help the City assess its affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for the community-wide dialogue necessary to identify housing and community development priorities that can be used to align funding provided through the U.S. Department of Housing and Urban Development (HUD) grant programs, including the Community Development Block Grant (CDBG) Program and HOME Investment Partnership (HOME) Program.

The City prepares a Con Plan every five years. The broader vision, needs, and goals outlined in the Consolidated Plan is implemented through Annual Action Plans (AAP), which provide a concise summary of the actions, activities, and specific federal and non-federal resources that will be used each year. At the end of each fiscal year, the City prepares a Consolidated Annual Performance and Evaluation Report (CAPER) that records the progress made each year toward the achievement of goals and objectives identified in the Con Plan.

The City's Economic Development and Housing Department (EDH) is responsible for the development and implementation of the Con Plan, as well as oversight of the activities identified in AAPs. The EDH consists of several divisions, which work together to administer all CDBG and HOME programs. EDH staff also collaborate with an extensive network of governmental agencies and non-profit organizations to facilitate strategic planning and implementation of Con Plan goals and objectives.

Much of the data referenced in the Plan was provided by HUD and includes data from the 2011-2015 American Community Survey (ACS) and Comprehensive Housing Affordability Strategy (CHAS), as well as the Homeless Management Information System (HMIS), among other data sources. As necessary, the default data is supplemented with data from the Census Bureau's various departments regarding the State of California and assorted local datasets. The Plan is divided into six sections, including this executive summary, a review of the plan development process, a comprehensive Needs Assessment, a housing Market Analysis, a Strategic Plan, and an Annual Action Plan.

This Plan was developed through a collaborative process to identify community needs with a primary focus on low- and moderate-income persons in accordance with HUD guidance. EDH

staff strive to find areas for collaboration and alignment to effectively utilize all available funding resources to conduct housing and community development activities that will serve the residents and communities of the City of Santa Cruz.

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

All priority needs and goals identified in the Consolidated Plan will meet a CDBG national performance measurement objective through providing decent affordable housing, creating suitable living environments, and improving economic opportunity.

Through the consolidated planning process, the City has identified 4 primary needs, and seven associated goals:

1. Priority Need: Increase Affordable Housing Opportunities  
Associated Goal: Develop and Rehabilitate Affordable Housing Units  
Associated Goal: Increase Access to Affordable Housing
2. Priority Need: Reduce Homelessness  
Associated Goal: Develop and Rehabilitate Housing and Facilities for Unhoused Persons  
Associated Goal: Provide Services to Prevent and Reduce Homelessness
3. Priority Need: Resilient and Healthy Communities  
Associated Goal: Resilient Infrastructure and Public Facilities  
Associated Goal: Healthy Neighborhoods and Residents
4. Priority Need: Planning and Administration  
Associated Goals: All

As these goals differ from the City's current priority needs, they will be incorporated into the Integrated Disbursement and Information System (IDIS) reporting structure starting this program year, with a goal for full integration by 2027.

Throughout the 2025-2030 program years, the City will fund a variety of activities, including making additional decent and affordable housing available, providing homelessness and public services, and strengthening infrastructure and public facilities for the City's residents. The City will also maintain its program planning and administration policies and procedures.

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

The City's Con Plan activities must meet one of the three national goals set by HUD for all but administrative activities. The City must ensure that its HUD-funded activities carried out under

the Con Plan meet its five-year priorities and strategies. The City will measure the effectiveness of its programs through four elements of its performance evaluation system.

1. **Five-Year Matrix:** This matrix quantifies and summarizes the City's five-year planned accomplishments in relation to the national performance measurement objectives, outcomes, and City's five-year priorities and strategies.
2. **Annual Action Plan Tables:** These tables contain measurable short-term objectives planned for the coming year for the planned activities, units of accomplishment, and the number of expected accomplishments upon completion of activities.
3. **Integrated Disbursement and Information System (IDIS):** This computer system reports accomplishments and other information to HUD. During the Program Year (PY), EDH will enter its planned and actual accomplishments for each activity into IDIS. At the end of the program year, EDH will use IDIS to summarize its accomplishments, enter them into the Five-Year Matrix, and update the AAP tables.
4. **Consolidated Annual Performance and Evaluation Report (CAPER):** EDH will publish the Matrix and AAP Tables in each year's CAPER, which reports its accomplishment to HUD, to reflect the number of planned and actual accomplishments and how they relate to the long- and short-term objectives set in the Con Plan and AAP. Such updates will allow HUD, the City's partners, residents, and others to track performance.

During the previous five-year planning period (2020-2025), the City undertook a range of housing and community development activities to primarily benefit extremely low-, very low-, low-, and moderate-income residents. This section highlights some key accomplishments during the last Con Plan period. For more detailed information, please refer to the recent CAPER available on the EDH website at <https://www.cityofsantacruz.com/government/city-departments/economic-development>.

**Affordable Housing:** The City utilized both CDBG and HOME funds leveraged with multiple other federal, state and local funding sources to increase, preserve and improve the City's affordable housing stock:

- 194 households assisted with security/utility deposits
- Funded 2 100% affordable housing projects with an estimated 250 rental units to be constructed
- Loan repayment received from 50-unit affordable housing project & affordability extended under local funding regulations

**Public Services:** The City utilized CDBG funds to provide supportive services for its extremely low-, very low, low-, and moderate-income households:

- Overall, approximately 235,000 individuals have benefitted from public service activities within the City of Santa Cruz
  - **COVID-19 Activities:** During PY2020, the City was awarded CDBG-CV funds for COVID-19 related response activities and assisted 24,145 people with meals, food and service programs.
  - **Legal Assistance:** 335 persons assisted with needed legal services related to evictions, rent increases and more
  - **Youth Services:** 419 teens accessed after-school and summer recreation programs
  - **NRSA Services:** 3,691 persons assisted at two community centers in the NRSA, receiving food assistance, after-school help, application assistance for housing and government programs

**Public Facility and Infrastructure Improvements:** The City utilized CDBG and other local and private funds to provide an array of programs and services to improve our neighborhoods. A variety of activities, such as the improvement of three public facilities, a shelter and a youth facility are currently underway and anticipated to benefit up to 100,000 low-and moderate-income persons.

#### 4. Summary of citizen participation process and consultation process

EDH conducted a combined community participation process for its Con Plan as outlined in the Community Participation Plan (CPP, Appendix A). The City engaged in a multi-pronged approach to seek and obtain meaningful feedback from agencies and service providers, along with members of the public.

The four methods of outreach were:

1. **Community Needs Assessment:** The survey was open to the public from August 2024, through January 2025. The City made the survey available in English and Spanish, and received 434 responses. A summary of the survey data is included in Appendix B.
2. **Community Meetings:** EDH held one in-person and one virtual community meeting on different days and times of the week to accommodate various audiences. The In-person meeting was held at a community center conveniently located in Downtown. A Spanish interpreter was available at both meetings.
3. **One-on-One Stakeholder Consultations and Focus Groups:** Through the stakeholder interviews and focus groups, EDH received feedback and input from six public agency or department partners, and eight partner organizations during the months of November 2024 through February 2025.
4. **Public Review and Public Hearing:** The City held a public hearing at City Hall to consider public comments regarding the Con Plan and AAP. The 30-day public comment period

began on April 22, 2025, and concluded on May 27, 2025, prior to the second public hearing.

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

The community meetings offered attendees an opportunity to provide feedback through polls, share their opinions on topics, and ask questions. Questions often centered around needs residents were seeing or experiencing in their communities, with the most common issues raised being rising rates of homelessness, cost of housing, and the need for public services and resilience investments. Stakeholders cited rapidly rising rents and home sales prices, increasing utility and insurance costs, and the prevalence of low-wage jobs as the primary reason why many families are experiencing one or more of the following: housing cost burdens, homelessness, and being priced out of the region entirely. EDH staff responded to participants' concerns during the meetings and shared information on existing resources and programs.

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

The City has accepted all comments provided during the community engagement process.

## **7. Summary**

The City of Santa Cruz 2025-2030 Cons Plan and 2025 AAP represent refined and updated versions of the City's prior planning documents, and do not include a major shift in strategic direction. Programs to preserve, enhance, and increase the supply of housing affordable to lower-income households and reduce homelessness remain a priority; however, emphasis is placed on a holistic approach to overall community development and investments. The Cons Plan supports the City's residents by fostering a range of public services, and by directing public investments, such as improved public infrastructure, facilities, and services, where they can benefit the City's lower- and moderate-income populations.

**Note on Methodology:** This Cons Plan utilized a variety of data sources including the 2018-2022 1-year and 5-year American Community Survey (ACS), 2016-2020 Comprehensive Housing Affordability Strategy (CHAS), PIH Information Center (PIC), 2025 EDH data, 2022-2024 Point-in-Time Count, and a variety of local data sources. As a general rule, EDH used the data provided by HUD in the pre-populated Consolidated Plan template in the Integrated Disbursement and Information System (IDIS). IDIS is a database that provides HUD and its grantees with current information regarding the program activities and funding data for a variety of programs including CDBG and HOME. IDIS predominantly uses CHAS for the Needs Assessment and Market Analysis, and PIC for data related to public housing and voucher programs. These data sources are created and maintained by HUD, and often differ from other, more recent data

sources. For example, the [2016-2020 CHAS data set](#) uses ACS data from these years although there are more recent 5-year ACS estimates and CHAS data sets. However, these more recent data sources have not been integrated into Con Plan templates provided in IDIS. Additionally, often specific data points for the same time period are reported differently in CHAS and ACS due to differences in methodology (for example, the total occupied housing units in the 2016-2020 CHAS is 22,640, while this same number in the 2016-2020 ACS 5-year estimates is 22,644). When the required tables were not pre-populated in IDIS and HUD's proprietary data sources, EDH used data most appropriate to represent conditions in Santa Cruz. All tables include data sources in the title subheading.



## The Process

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

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

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

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

The EDH is responsible for implementation of the Consolidated Plan, as well as oversight of the activities identified in the Annual Action Plan. EDH consists of several divisions, which work together to administer all CDBG and HOME programs. In addition, the staff also collaborates with an extensive network of governmental agencies and non-profit organizations to facilitate strategic planning and implementation of Consolidated Plan goals and objectives.

### Consolidated Plan Public Contact Information

The public can contact EDH staff with comments regarding the City's Consolidated Plan:

City of Santa Cruz  
Housing & Community Development Manager  
337 Locust Street  
Santa Cruz, CA 95060  
[housing@santacruzca.gov](mailto:housing@santacruzca.gov)  
(831) 420-5150



## **PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.215(I) and 91.315(I)**

### **1. Introduction**

The planning process required by HUD regulations for Con Plan development involves consultation with public and private agencies to assess needs, identify resource gaps, and coordinate service delivery. This section summarizes these consultation efforts and coordination between agencies.

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

The City of Santa Cruz engaged in one-on-one consultations with various agencies throughout the city and county, including public and assisted housing providers, government departments, and private/public health, mental health, and social service organizations. These consultations build upon ongoing partnerships between the City and local service providers.

**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 coordinates closely with the Housing for Health Partnership (H4HP), Santa Cruz County’s federally designated continuum of care (CoC). The CoC brings together government agencies and non-profit organizations serving Santa Cruz County's homeless population. Through regular consultation with CoC members, including the County, service providers, homeless shelters, the City advocates and strengthens individuals, families and children through prevention, services, and programs.

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

As a key member of the CoC, the City maintains an active role in CoC governance and participates in ongoing consultation about funding coordination, performance standards, and evaluation. The CoC administrator coordinates activities and manages the Homeless Management Information System (HMIS). This structure ensures alignment between City activities and broader CoC homeless assistance efforts.

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

The City conducted individual consultations with agencies across the region, including CoC members, housing providers, developers, and health/social service organizations. Additionally, four focus groups brought together community foundations, affordable housing developers, homeless service providers, and child/community health service providers.

<b>Agency/ Group/ Organization</b>	<b>Agency/Group/ Organization Type</b>	<b>What section of the Plan was addressed by Consultation?</b>	<b>How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>
Housing for Health Division, County of Santa Cruz	Housing Services – Homeless Other – Continuum of Care Other government - County Regional organization Planning organization	Housing Needs Assessment Homeless Needs – Chronically Homeless Homeless Needs – Families with Children Homelessness Needs – Veterans Homelessness Needs – Unaccompanied Minors Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-Poverty Strategy	This organization was invited to participate in the consultation process as a lead participant in the Continuum of Care. The anticipated outcome was to collect information regarding resources available for, and the needs of, homeless and at-risk populations, as well as to improve coordination with the housing, homelessness, and anti-poverty strategies.
County of Santa Cruz Human Services Agency	Health Agency Services – Health Services – Children Other government - County	Lead-Based Paint Mitigation Strategy Families with Children Non-Homeless Special Needs	This organization was invited to participate in the consultation process. The anticipated outcome was to collect information regarding social service provision and lead-based paint mitigation.

Housing Authority of the County of Santa Cruz	Housing PHA Services - Housing Other Government – County Regional Organization	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically Homeless Homeless Needs -Families with Children Homeless Strategy Market Analysis Anti-Poverty Strategy	This organization was invited to participate in the consultation process as the certified Public Housing Agency. The anticipated outcome was to collect information regarding public housing resources, conditions, and the needs of tenants, as well as to improve coordination with the housing, homelessness, community development, and anti-poverty strategies.
City of Santa Cruz, Homelessness Response	Housing Services – Homeless Other – Continuum of Care	Housing Needs Assessment Homeless Needs – Chronically Homeless Homeless Needs – Families with Children Homelessness Needs – Veterans Homelessness Needs – Unaccompanied Minors Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-Poverty Strategy	This organization was invited to participate in the consultation process as a lead participant in the Continuum of Care. The anticipated outcome was to collect information regarding resources available for, and the needs of, homeless and at-risk populations, as well as to improve coordination with the housing, homelessness, and anti-poverty strategies.
City of Santa Cruz, Sustainability and Resiliency	Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Agency - Emergency Management	Market Analysis Housing Needs Assessment Hazard Mitigation	This organization was invited to participate in the consultation process. The anticipated outcome was to collect information regarding the City's resilience investments and future needs.
Nueva Vista Community Resources	Service Provider for the Hispanic Community and Youth Services	Non-Homeless Special Needs Anti-poverty Strategy Hispanic Community NRSA need	This organization was invited to participate in the consultation process. The anticipated outcome was to collect information regarding the housing and social service needs of Beach Flats residents, as well as to improve coordination with the Consolidated Plan anti-poverty strategies, among other areas.

Community Action Board Inc	Tenant based Rental Assistance	Housing Need Assessment Homelessness Strategy Homeless Needs	This organization was invited to participate in the consultation process. The anticipated outcome was to collect information regarding the housing and social service needs of Beach Flats residents, as well as to improve coordination with the Consolidated Plan anti-poverty strategies, among other areas.
Monarch Services/ Servicios Monarca	Housing Services-Children Services-Victims of Domestic Violence Services-Homeless Services-Education	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Anti-Poverty Strategy	This organization was invited to participate in the consultation process. The anticipated outcome was to collect information regarding the housing and social service needs of victims of domestic violence, as well as to improve coordination with the Consolidated Plan housing, homelessness and anti-poverty strategies, among other areas.
Cruzio Internet	Services - Broadband Internet Service Providers Services - Narrowing the Digital Divide		This organization was invited to participate in the consultation process. The anticipated outcome was to collect information regarding the broadband access and needs, as well as to improve coordination with the Consolidated Plan anti-poverty strategies, among other areas.
Eden Housing, Inc	Housing Services - Housing	Housing Needs Assessment Homeless Needs – Chronically Homeless Homeless Needs – Families with Children Homelessness Needs – Veterans Homelessness Needs – Unaccompanied Minors Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-Poverty Strategy	This organization was invited to participate in the consultation process. The anticipated outcome was to collect information regarding the housing needs of low-income households, as well as to improve coordination with the Consolidated Plan antipoverty strategy, among other areas.

For The Future Housing	Housing	Housing Needs Assessment Homeless Needs – Chronically Homeless Homeless Needs – Families with Children Homelessness Needs – Veterans Homelessness Needs – Unaccompanied Minors Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-Poverty Strategy	This organization was invited to participate in the consultation process. The anticipated outcome was to collect information regarding the housing needs of low-income households, as well as to improve coordination with the Consolidated Plan antipoverty strategy, among other areas.
Habitat for Humanity Monterey	Housing	Housing Needs Assessment Homeless Needs – Chronically Homeless Homeless Needs – Families with Children Homelessness Needs – Veterans Homelessness Needs – Unaccompanied Minors Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-Poverty Strategy	This organization was invited to participate in the consultation process. The anticipated outcome was to collect information regarding the housing needs of low-income households, as well as to improve coordination with the Consolidated Plan antipoverty strategy, among other areas.
Mid-Pen Housing	Housing	Housing Needs Assessment Homeless Needs – Chronically Homeless Homeless Needs – Families with Children Homelessness Needs – Veterans Homelessness Needs – Unaccompanied Minors Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-Poverty Strategy	This organization was invited to participate in the consultation process. The anticipated outcome was to collect information regarding the housing needs of low-income households, as well as to improve coordination with the Consolidated Plan antipoverty strategy, among other areas.

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

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

During Con Plan development, the City consulted a wide variety of agencies in-depth, including those listed in the table above. The City is a member of the Santa Cruz County CoC. The City posted information on its website, shared information with neighborhoods groups and partner organizations, advertised the public meetings and community needs assessment during City Council meetings, on social media platforms, and advertised public hearings in the local newspaper. Going forward, the City will enhance these notifications to cast a wider net and encourage additional agencies to participate.

**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>
<a href="#"><u>Continuum of Care</u></a>	Housing for Health Partnership (H4HP), County of Santa Cruz	As the largest city in the CoC, the City encourages coordination with the CoC and consolidated planning process.
<a href="#"><u>City of Santa Cruz 2023-2031 Housing Element</u></a>	City of Santa Cruz	The Housing Element and Consolidated Plan share goals of increasing affordable housing development, reducing barriers to housing, and promoting fair housing opportunities.
<a href="#"><u>City of Santa Cruz Homelessness Response Action Plan (HRAP) 2024-2027</u></a>	City of Santa Cruz	The HRAP and Consolidated Plan share goals of long-term solutions to homelessness and seek to identify ways regional partners can align affordable housing and supportive services investments.
<a href="#"><u>Downtown Plan Expansion</u></a>	City of Santa Cruz	The Downtown Plan Expansion and Consolidated Plan share goals of aligning affordable housing and supportive services investments in targeted areas.
<a href="#"><u>Neighborhood Strategy Revitalization Area (NRSA) Plan</u></a>	City of Santa Cruz	The NRSA and Consolidated Plan share goals of aligning affordable housing and supportive services investments in targeted areas.
<a href="#"><u>Climate Action Plan (CAP) 2030</u></a>	City of Santa Cruz	The CAP and Consolidated Plan share goals of aligning affordable housing and resilience investments across the city.
<a href="#"><u>5-Year PHA Plan and Annual Plan</u></a>	Housing Authority of the County of Santa Cruz (HACSC)	The HACSC Plan and Consolidated Plan share goals of providing rental assistance, increasing access to and retaining affordable housing for low-income households.



<a href="#">City Council goals and priorities</a>	City of Santa Cruz	Members seek to increase literacy, develop the workforce, expand youth programming, develop solutions to address homelessness, including increasing the affordable housing supply, and prioritize economic development to grow the local economy and create employment opportunities.
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**Table 3 – Other local / regional / federal planning efforts**

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

The City of Santa Cruz actively coordinates with various public entities in implementing the Con Plan, included those listed in Table 2 and those that participate in the CoC.

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

The City's 2023-2031 Housing Element, required by California state law, provides a comprehensive analysis of housing needs and barriers to affordable housing development. The Housing Element's Assessment of Fair Housing (AFH) component follows the federal Affirmatively Furthering Fair Housing (AFFH) framework, ensuring alignment between state and federal fair housing requirements and creating consistent strategies across planning documents.

The City also coordinates with the California Department of Housing and Community Development (HCD) to ensure Housing Element compliance and alignment with state housing goals, while simultaneously meeting federal Con Plan requirements. This multi-level

coordination helps streamline planning efforts and creates more effective implementation strategies for housing and community development programs.

**Narrative (optional):**

The City of Santa Cruz engaged in consultations with various agencies, including public and assisted housing providers, government departments, and health, mental health, and social service organizations, to enhance coordination and address community needs. The City works closely with the H4HP Santa Cruz County's Continuum of Care (CoC), to support homeless individuals and families. The City participates in CoC governance, coordinating funding, performance standards, and the Homeless Management Information System (HMIS).

Consultations involved agencies across the region, focusing on housing, health, and social services. Key participants included the Housing for Health Division, County of Santa Cruz Human Services Agency, Housing Authority of the County of Santa Cruz, and various local organizations. These efforts aimed to gather information on resources and needs, improve coordination, and align strategies for housing, homelessness, and anti-poverty initiatives.

## **PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation**

#### **Summarize citizen participation process and how it impacted goal-setting**

EDH conducted a community participation process for its Consolidated and Annual Action Plans as outlined in the CPP (Appendix A). EDH engaged in a multi-pronged approach to seek and obtain meaningful feedback from members of the public, agencies, and service providers. The community outreach and community participation process started in May 2024 continuing through February 2025 and included a mix of in-person and online community meetings, community needs survey, focus groups, consultations, and a public hearing. After its initial drafting, the Consolidated and Annual Action Plan were released for a 30-day public comment period, in which public can review and make suggestions based on their own knowledge and experiences. Public comments are included the plan's content and many of them were fully incorporated.

The five methods of outreach were:

#### **1. Community Needs Assessment**

The Community Needs Assessment (survey) was deployed online in August 2024 through February 2025. The survey interface was easily accessible for desktop, tablet, and mobile device users. Using a platform that functioned well on cell phones was important, since many low- and moderate-income individuals and families may not have access to a desktop computer. Persons who live, work, and own businesses in Santa Cruz were invited to provide insight and feedback regarding housing, neighborhood, social services, and economic development needs. The survey was made available in English and Spanish. EDH advertised the survey on its website, on their social media accounts, during community and City Council meetings, stakeholder conversations, and focus groups, as well as through EDH mailing lists. Flyers (printed in English and Spanish) were shared during in-person meetings, Council meetings, and at events attended by EDH staff. Community meeting materials and flyers also included a Quick Response (QR) code so that potential respondents could quickly navigate to the survey page. Printed copies of the survey were made available at the in-person community meetings. EDH received 434 responses, and the resulting analysis informs this Plan. The most common concerns shared by community members in the community needs assessment were the needs for affordable housing and investments in public infrastructure and community services. The City partnered with Nueva Vista and attended its events to publicize the survey and to gather additional feedback from the Beach Flats community.

## **2. Community Meetings**

EDH held one in-person and one virtual community meeting in September 2024 to gather public feedback on community needs, as well as a discussion on the potential shifting of the Neighborhood Revitalization Strategy Area (NRSA) boundaries. The meetings were held on different days of the week and times to accommodate various audiences. Spanish interpreters were available at each meeting. The meetings were advertised on EDH social media accounts, such as Facebook and LinkedIn, were advertised during City Council meetings, and advertised through service providers and partners.

To close the knowledge gap about the Con Plan, EDH completed a short presentation at the beginning of every meeting to educate attendees on the allowable uses of the CDBG and HOME grants. The meeting presentation also included attendee polls, a short discussion of local data on housing, economic development, and homelessness, overview of the survey, and an opportunity for questions and answers. Meeting materials and the community needs assessment were made available to the public on the EDH website.

The community meetings offered attendees to provide feedback through polls, share their opinions on topics, and ask questions. Community members shared concerns about the lack of affordable housing rise in housing costs, rise in homelessness, and the increasing need for resilience investments in frontline neighborhoods.

## **3. One-on-One Stakeholder Consultations and Focus Groups**

Through the stakeholder interviews and focus groups, EDH received feedback and input from six public agency or department partners, and eight partner organizations during the months of November 2024 through February 2025.

## **4. Public Review and Public Hearing to consider approval of the Consolidated and Annual Action Plans**

A 30-day public notice was published on March 23, 2025, in the Santa Cruz Sentinel, advertising a public hearing on April 22, 2025, notifying the community that there will be two public hearings held for the Consolidated and Annual Action Plan and encouraging them to attend the public hearings to present oral and written comments to the City Council for consideration in developing and approving the document. Residents unable to attend the public hearing are invited to submit written comments to EDH up to and including the day of the public hearing.

EDH published draft versions of the Plans for public comment period between April 22 – May 27, 2025. The draft Plans were available for review online at <https://www.cityofsantacruz.com/government/city-departments/economic-development> and at the EDH office.

EDH held the public hearing on May 27, 2025, where the City Council officially adopted the 2025-2030 Consolidated Plan and 2025 Annual Action Plan, and directed staff to submit them to HUD.

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons
1	Community Needs Assessment	Non-targeted broad/ community outreach	EDH received 434 responses	Need for affordable housing, and investments in public infrastructure and community services	EDH accepted all comments received.
2	Public Meetings	Non-targeted/broad community outreach Non-English Speaking (Spanish)	EDH hosted two public meetings	Lack of affordable housing, rise in homelessness, and need for public services were the most cited concerns.	EDH accepted all comments received.
3	Stakeholder Consultations and Focus Groups	Non-targeted/broad community outreach Persons with Disabilities	EDH received feedback from six public agency or department partners and eight partner organizations	Concerns about rise in housing costs and homelessness, need for supportive services and regional collaboration	EDH accepted all comments received.
4	Participation in Community Events	Non-targeted/broad community outreach	EDH participated in 5 community events during Consolidated Planning process	No comments were received	EDH accepted all comments received.
5	Public Hearing	Non-targeted/broad community outreach	Hearing and approval by City Council	[Summary of comments received during hearing will be entered after the public hearing]	It is expected EDH will accept all comments received.
6	Newspaper Ad	Non-targeted/broad	Ad for public hearing	None received.	Not applicable

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons
		community outreach			

**Table 4 – Citizen Participation Outreach**

## **Needs Assessment**

### **NA-05 Overview**

#### **Needs Assessment Overview**

The Needs Assessment of the Con Plan, in conjunction with information gathered through consultations and the citizen participation process, provides a picture of the City's needs related to affordable housing, special needs housing, community development, and homelessness. The Needs Assessment is divided into six subsections, including:

- Housing Needs Assessment
- Disproportionately Greater Need
- Public Housing
- Homeless Needs Assessment
- Non-Homeless Needs Assessment
- Non-Housing Community Development Needs

Many of the data tables here use default values from HUD, based on the Comprehensive Housing Affordability Strategy (CHAS) dataset. This dataset was created by HUD using data from the Census Bureau's 2016-2020 American Community Survey (ACS). Because of the way the data is collected, numbers for the same topic might be different in different tables. For example, cost burden data might vary slightly because of how HUD and the Census Bureau estimate using multi-year survey data. The analysis in the next sections focuses more on the percentage of households by type and income level, rather than the exact number of households. This analysis also adds data from other sources to the supplement default data from HUD, especially in areas where it was unavailable.



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

### Summary of Housing Needs

The availability of affordable housing continues to be the greatest housing need facing the City of Santa Cruz. With a significant shortage of affordable options, many low-income families struggle to find suitable housing. High rent costs further exacerbate the situation, making it difficult for renters to afford the average monthly rent. According to the American Community Survey from 2019-2023, the median rent in Santa Cruz was \$2,302, 71 percent higher than the national median of \$1,348.

According to Comprehensive Housing Affordability Strategy (CHAS) data, 36 percent of households in Santa Cruz earn less than 50 percent of the HUD Area Median Family Income (HAMFI). Among renters, 5,584 households (25 percent of all households) spend more than 30 percent of their income on housing, making them housing cost burdened. For homeowners, 1,970 households (9 percent of all households) are similarly cost burdened.

In Santa Cruz, 6,780 renter households (30 percent) experience substandard housing quality, overcrowding, or are inhabited by cost-burdened households. The largest segment within this category is the cost burdened households, with 5,505 households spending either 30 percent or 50 percent of their income on housing. Housing problems are significantly lower for homeowners. There are 2,320 homeowner households with substandard housing quality or experiencing housing cost burden, and no observations of overcrowding. Among homeowners, 2,215 households are cost-burdened at either the 30 percent or 50 percent level. Overcrowding remains an issue in Santa Cruz, with 660 rental households (3 percent) experiencing overcrowding, while no owner households face this problem based on reported data.

Demographics	Base Year: 2009	Most Recent Year: 2020	% Change
Population	62,750	65,010	4%
Households	21,515	22,645	5%
Median Income	\$62,164	\$86,618	39%

**Table 5 - Housing Needs Assessment Demographics**

**Data Source:** 2000 Census (Base Year), 2016-2020 ACS (Most Recent Year)

## Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	5,565	2,565	2,770	2,005	9,735
Small Family Households	730	525	835	650	4,685
Large Family Households	85	85	0	150	290
Household contains at least one person 62-74 years of age	1,245	575	695	390	2,265
Household contains at least one person age 75 or older	555	435	225	330	595
Households with one or more children six years old or younger	200	204	110	145	800

**Table 6 - Total Households Table**

**Data Source:** 2016-2020 CHAS

Table 6 identifies the average number of households that resided within the City Santa Cruz, by household type and income level between 2016 and 2020. Income levels are based on the percentage difference between the reported household income and the HAMFI. The HUD defined income levels presented in the table include:

- Extremely Low-Income: 0-30 percent
- Very Low-Income: more than 30 percent to 50 percent
- Low-Income: more than 50 percent to 80 percent
- Middle-Income: more than 80 percent to 100 percent
- Upper-Income: more than 100 percent

Based on the data from the CHAS dataset, an average of 12,905 households had incomes up to the median (i.e., up to 100 percent of the HAMFI) between 2016 and 2020, representing 57 percent of City of Santa Cruz's households. Approximately 10,900 households, about 48 percent of all households, qualified as low income, with incomes that were equal to 80 percent or less of the HAMFI between 2016 and 2020. Of that total, an estimated 36 percent of all households (8,130 households) fell into the extremely low- or very low-income categories. Note that the reported household figures may not equal the total households figure reported in Table 6 due to differences in CHAS and ACS methodology.

## Housing Needs Summary Tables

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

	Renter					Owner				
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	265	10	25	0	300	25	0	0	0	25
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	125	45	140	45	355	0	35	0	0	35
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	180	85	10	0	275	0	0	0	0	0
Housing cost burden greater than 50% of income (and none of the above problems)	2,705	555	205	15	3,480	840	225	195	80	1,340
Housing cost burden greater than 30% of income (and none of the above problems)	205	530	870	420	2,025	180	290	230	175	875
Zero/negative Income (and none of the above problems)	345	0	0	0	345	45	0	0	0	45

**Table 7 – Housing Problems Table**

**Data Source:** 2016-2020 CHAS

Table 7 identifies the number of households that earned up to the median income that reported experiencing at least one housing problem, by tenure and income category, between 2016 and 2020. Note that due to rounding, and other methodological factors, the figures may differ from those reported elsewhere in this section. The table lists housing problems by their

relative level of severity, with the most severe housing problems listed at the top of the table. If a household had more than one housing problem, they were included in the count of households with the more severe housing problem. For example, if a household was both cost burdened and lived in substandard housing, they were counted in the category of households living in substandard housing.

Based on this data, only around 1 percent of the City's households who earned up to the median income lived in substandard housing conditions, defined as the lack of complete plumbing and/or kitchen facilities. Most of these households, around 92 percent, were renter households, with only 8 percent owning their own home. All households that lived in substandard housing were low income, with household incomes equal to 80 percent or less of the HAMFI.

An estimated 3 percent of the City's households, earning up to the median income, experienced some form of overcrowding. Of these households, 59 percent experienced severe overcrowding, while the remaining 41 percent experienced less overcrowding. According to data provided by HUD, roughly 390 households were impacted by the more severe conditions, and 275 households experienced less severe overcrowding. Renter households accounted for most households earning up to the median income that experienced overcrowding. Overcrowded households were also more likely to be lower income categories, regardless of tenure.

Approximately 34 percent of all Santa Cruz households with incomes up to the median had housing cost burdens exceeding 30 percent of their income, equating to an estimated 7,720 households. Of these, 38 percent experienced a cost burden greater than 30 percent but less than 50 percent of their gross income, while 62 percent faced more severe cost burdens exceeding 50 percent of their gross income. Overall, cost-burdened households with incomes up to the median were more likely to be renters. Renter households accounted for 71 percent of all cost-burdened households with incomes up to the median, while homeowners made up 29 percent. Regardless of tenure, households in the extremely low- and very low-income categories were most likely to experience excessive cost burdens.

Households with zero or negative incomes represented only a small minority of Santa Cruz households. According to the data provided, there were only around 390 households in Santa Cruz with zero or negative incomes between 2016 and 2020, which accounted for only 2 percent of households with incomes up to the median. Because these households had zero or negative incomes, they were categorized in the extremely low-income category.

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

	Renter					Owner				
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total	0- 30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having one or more of four housing problems	3,275	695	380	60	4,410	865	260	195	80	1,400
Having none of four housing problems	1,075	805	1,335	1,010	4,225	350	805	860	855	2,870
Household has negative income, but none of the other housing problems	0	0	0	0	0	0	0	0	0	0

**Table 8 – Housing Problems 2**

Data Source: 2016-2020 CHAS

Table 8 offers an alternative view of the data presented in Table 7. It shows the number of households with incomes up to the median that either have no housing problems, have one or more of the 4 HUD-defined housing problems (lack of complete kitchen facilities, lack of complete plumbing facilities, overcrowding, and cost burden), or have negative income.

According to the data in Table 8, an estimated 5,810 households, or about 26 percent of all Santa Cruz households with incomes up to the median, experienced at least 1 of these 4 housing problems. Most of these households, regardless of whether they rent or own, were in the lower-income categories, with the highest percentages among very low- and extremely low-income renters.

Approximately 7,095 households, or 31 percent of households with incomes up to the median, experienced none of the 4 housing problems. These households were spread across all income levels. Renter households of all income categories up to the median made up the majority (about 67 percent) of households experiencing all 3 reported conditions (1 or more housing problems, no housing problems, and zero or no income).

### 3. Cost Burden > 30 percent

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	445	300	375	1,120	110	95	125	330
Large Related	85	44	0	129	0	0	0	0
Elderly	670	155	100	925	620	380	215	1,215
Other	2,065	675	670	3,410	310	35	80	425
Total need by income	3,265	1,174	1,145	5,584	1,040	510	420	1,970

**Table 9 – Cost Burden > 30 percent**

Data Source: 2016-2020 CHAS

Table 9 provides additional details about lower-income households with incomes up to 80 percent of the area median income (AMI) that have cost burdens greater than 30 percent. This includes households with cost burdens exceeding 50 percent of their income. Since the estimates in Table 9 differ from those in other parts of this section, this analysis focuses on the percentage of households by type and income category.

Among all 4 household types, most lower-income cost-burdened households are renters. The data indicates that cost-burdened renter and homeowner households are concentrated in the extremely low-income segment. Elderly households have the highest share of cost burdened homeowners (62 percent). Additionally, elderly households hold the highest percentage (65 percent) of extremely low- and low-income owned households.

### 4. Cost Burden > 50 percent

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	0	0	215	215	85	60	0	145
Large Related	0	0	40	40	0	0	0	0
Elderly	580	35	50	665	475	140	95	710
Other	0	1,970	320	2,290	295	0	0	295
Total need by income	580	2,005	625	3,210	855	200	95	1,150

**Table 10 – Cost Burden > 50 percent**

Data Source: 2016-2020 CHAS

Like the previous table, Table 10 provides additional details about lower-income households with cost burdens greater than 50 percent of their income. In this group, most severely cost-burdened households, around 59 percent, were classified as "Other" households. Elderly households accounted for 32 percent of this category. Small, related households with two to four members made up 8 percent, while large, related households with 5 or more members were the smallest group, accounting for 1 percent.

Among all 4 household types, most lower-income, severely cost-burdened households were renters. The data indicates that severely cost-burdened renter households were primarily in the very low-income category, while severely cost-burdened owner households were more concentrated in the extremely low-income category. Elderly households had an above-average proportion of cost burdened homeowners, making up 62 percent of owner households. Additionally, elderly households held the highest percentage (58 percent) of extremely low- and low-income owned households.

#### 5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
<b>NUMBER OF HOUSEHOLDS</b>										
Single family households	40	105	65	25	235	0	0	0	0	0
Multiple, unrelated family households	0	0	0	0	0	0	35	0	0	35
Other, non-family households	275	25	110	15	425	0	0	0	0	0
Total need by income	315	130	175	40	660	0	35	0	0	35

**Table 11 – Crowding Information – 1/2**

Data Source: 2016-2020 CHAS

Table 11 identifies the number of households with incomes up to the median that experience overcrowding, categorized by household type, tenure, and income level. According to the data, single family households made up an estimated 34 percent of lower-income overcrowded households. Households composed of multiple, unrelated families accounted for 5 percent of all overcrowded households with incomes up to the median, while other non-family households accounted for 61 percent. Most of these overcrowded households (95 percent) were renters.



The data indicates that approximately 95 percent of the reported overcrowded households were lower-income, with around 69 percent falling into the extremely low- and very low-income categories. Overcrowded single-family households generally followed this same income distribution pattern, with 62 percent of single-family households in the extremely low- and very low-income categories. There were no overcrowded households composed of multiple unrelated families. The largest category of extremely low- and very low-income overcrowded households was other non-family households. Only 35 owner households reported being overcrowded, all of which were multiple unrelated family households in the very low-income category.

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

There are 6,209 single person households in the City of Santa Cruz, with 3,862 (62 percent) of these being elderly household (persons aged 65 years and older). Older adults living alone often need affordable housing options because of limited and fixed incomes. The City offers various senior-specific services, including senior centers, rental assistance, and affordable housing developments for senior residents.

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

In Santa Cruz City, several vulnerable groups need housing assistance, including families with disabilities and those affected by domestic violence, dating violence, sexual assault, and stalking.

Families with Disabilities: According to the ACS, about 6,900 persons or 11 percent of persons in the City of Santa Cruz has a disability. To capture a variety of characteristics that encompass the definition of disability, the ACS identifies serious difficulty with 4 basic areas of functioning: hearing, vision, cognition, and ambulation. These functional limitations are supplemented by questions about difficulties with selected activities from the Katz Activities of Daily Living (ADL) and Lawton Instrumental Activities of Daily Living (IADL) scales, namely difficulty bathing and dressing, and difficulty performing errands such as shopping. Overall, the ACS attempts to capture 6 aspects of disability (hearing, vision, cognitive, ambulatory, self-care, and independent living), which can be used together to create an overall disability measure, or independently to identify populations with specific disability types. Ambulatory, self-care, and independent living difficulties may generate a need for special housing provisions. The Point-in-Time (PIT) Count also tracks the prevalence of a disabling condition, defined by HUD as a developmental disability, HIV/AIDS, or a long-term physical or mental impairment that impacts a person's ability to live independently but could be improved with stable housing. There has

been an increase in homelessness among disabled individuals in Santa Cruz County from 50 percent reporting a disabling condition in 2023 to 55 percent reporting one in 2024. However, these numbers are still a significant drop from 77 percent of the unhoused population reporting a disabling condition in 2022. The 2024 PIT Count revealed that the number of people with disabilities experiencing homelessness has been declining. The percentage of respondents (46 percent) reporting a substance use disorder remained the same as in 2023, persons reporting a physical disability decreased from 34 percent in 2023 to 29 percent in 2024, while those suffering from chronic health problems decreased from 29 percent in 2023 to 28 percent in 2024.

Domestic Violence: The need for services related to domestic violence has escalated significantly, especially during the pandemic. The 2017 Santa Cruz County Community Assessment Project Survey indicated that about 6 percent of residents in Santa Cruz County have a family member or friend that experienced domestic abuse in the prior year. Nationwide, the number of domestic violence incidents was estimated to have increased by 8 percent as an effect of lockdown orders. Monarch Services, which offers immediate crisis response to survivors of domestic violence, sexual assault, and human trafficking, reported a 75 percent increase in services provided from 2019 to 2020. This includes emergency shelter and motel vouchers for victims.

There were 202 reports of domestic violence in Santa Cruz in 2023. The City has a Commission for the Prevention of Violence Against Women (CPVAW) with a vision to end sexual assault, sexual harassment, and domestic violence in the City through prevention, programs, and public policy. Their mission is to collaborate with local stakeholder partners and law enforcement to ensure best practices to respond to and prosecute violent crimes against women. The City helps support Walnut Avenue Women's Center and the Women's Crisis Support-Defensa de Mujeres which help this population.

Dating Violence: While specific statistics for dating violence are less readily available, incidents of dating violence are usually included under the broader category of domestic violence. The Victim/Witness Program of the Santa Cruz County District Attorney's Office provides support to victims of various forms of violence, including dating violence.

Sexual Assault: Like domestic violence, sexual assault victims also face significant challenges. There were 34 reports of sexual assault in Santa Cruz in 2023. That same year, the Santa Cruz City Council adopted a Five Year Strategic Plan to prioritize the prevention of rape and domestic violence. A recent civil Grand Jury report cited a need for better data collection on sexual and domestic violence, as well as improved services and coordination among providers to support these survivors.

Stalking: Stalking is another serious issue, often underreported. While the City reports domestic violence and sexual assault statistics, it does not provide data on stalking incidents. Advocacy groups are working to provide better support and data collection to understand the true scope of the problem.

These groups often overlap, with individuals experiencing multiple forms of trauma and requiring comprehensive support services. Housing assistance programs in the City aim to address these needs through service provision, rental assistance, emergency shelters, transitional housing, and permanent supportive housing.

### **What are the most common housing problems?**

Santa Cruz faces several housing problems that significantly impact residents. High housing costs force many residents to spend more than 30 percent of their income on rent, causing financial strain. Some households live in overcrowded conditions due to high costs, which can harm their health and well-being. Some households live in substandard housing with issues like mold, pests, and unsafe conditions. The lack of affordable housing also leads to high levels of homelessness. Despite efforts by the region to address this issue, it remains a major challenge. Without strong tenant protections, renters can be forced to move due to rent increases or other factors, causing housing instability. The main source of these problems is the need for more affordable housing options in Santa Cruz.

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

Low-income families in Santa Cruz face significant housing problems due to high housing costs, making it difficult to afford adequate housing and often leading to overcrowded living conditions. Seniors or older adults on fixed incomes struggle with rising rents and increased maintenance costs, causing housing instability. Disabled individuals are also affected because they need accessible housing, which is often in short supply. Homeless individuals are another group that is significantly impacted by the lack of affordable housing.

### **Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)).**

According to the Santa Cruz County Human Services FY2021-2022 Report, low-income individuals and families with children in the county, especially those at imminent risk of homelessness, share several common characteristics and needs. These include:

- Low income making it difficult to cover rent and other basic needs.
- High rent burden leaving little money for other essentials.

- Employment challenges like low-wage jobs, part-time work, or unemployment contribute to financial instability.
- Health issues that limit work opportunities and increase medical expenses.
- Lack of savings making it hard to handle emergencies.

To address these issues, the report suggests:

- Increased access to affordable housing to provide stable living conditions.
- Financial assistance to help stabilize households.
- Employment support including job training, placement services, and childcare support to improve employment prospects and income stability.
- Health services that are critical for maintaining stability.
- Support services such as case management, counseling, and legal assistance to help navigate housing issues and access available resources.

Addressing these needs requires a coordinated effort from local government, non-profits, and community organizations to provide comprehensive support and prevent homelessness.

**Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance.**

Formerly homeless families and individuals in Santa Cruz who are nearing the end of their rapid rehousing assistance have several key needs that must be addressed to maintain stable housing and avoid returning to homelessness. According to the National Alliance to End Homelessness and feedback from focus groups, there are 3 critical areas to focus on:

1. **Financial Stability:** Many families nearing the end of their rapid rehousing assistance may become housing cost burdened. To achieve financial stability, they need additional financial support to cover housing cost and avoid displacement. Access to job training and employment opportunities is also essential for achieving financial independence.
2. **Housing Stability:** With a high demand for affordable housing in Santa Cruz, families need access to rental assistance programs. Once housed, landlord mediation is crucial, as suggested by focus groups and the National Alliance to End Homelessness's Rapid Re-housing Toolkit. A mediator can help negotiate lease terms and address issues with landlords, promoting long-term housing stability.
3. **Supportive Services:** Ongoing case management can assist families in navigating various services, including healthcare, education, childcare, and addressing mental health and substance abuse issues. Programs that offer training in budgeting, cooking, and other

essential life skills can help individuals and families manage their households more effectively.

Addressing these needs comprehensively requires a coordinated effort from local government, non-profits, and community organizations to provide comprehensive support and prevent homelessness, ultimately helping formerly homeless families and individuals achieve long-term stability and self-sufficiency.

**If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:**

The Santa Cruz County Human Services Department defines individuals or families as "at-risk of homelessness" if they are experiencing severe housing instability, such as facing eviction, living in overcrowded or substandard housing, or having a history of frequent moves. This group often includes people with low incomes, those with disabilities, seniors, veterans, and individuals with behavioral health conditions.

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

The housing crisis in Santa Cruz has been partially caused by over 50 years of federal, state, and local policies that did not produce enough housing to meet the demand. The results of these policies are high housing costs, scarce supply of housing, and an increase in homelessness. For Santa Cruz residents, the primary housing characteristic that is linked to instability and an increased risk of homelessness is the severe cost burden (paying more than 50 percent of gross income toward housing costs). Paying a large percentage of income toward housing, especially for lower-income households, leaves limited resources to meet other basic needs, like food and clothing, and impairs savings capabilities. Unemployment, underemployment, or an unexpected medical bill or car repair could force these households to make difficult choices.

## **Discussion**

The City of Santa Cruz faces a significant shortage of affordable housing, which is the greatest housing need for its residents. High housing costs make it difficult for many low-income families to find suitable housing, with the median rent in Santa Cruz being \$2,302, significantly higher than the national median. According to CHAS data, 36 percent of households earn less than 50 percent of the HUD Area Median Family Income (HAMFI), and many are housing cost-burdened. Among renters, 5,584 households spend more than 30 percent of their income on housing, while 1,970 homeowners face similar burdens. Lower-income households, especially renters,

are more likely to experience housing problems, including cost burdens and overcrowding. Addressing these issues requires increased access to affordable housing, financial assistance, employment support, health services, and comprehensive supportive services from local government, non-profits, and community organizations.

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

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

### Introduction

Based on analysis done by the County’s Housing for Health Partnership, homelessness remains a national problem primarily driven by a lack of effective and appropriately scaled investments in affordable housing for extremely low-income households. 75 percent of extremely low-income households in Santa Cruz County pay more than 50 percent of their income toward housing. The California Housing Partnership estimates that over 10,000 renter households in Santa Cruz County do not have access to an affordable home where they pay less than 30 percent of their income toward housing. Many extremely low-income households struggle with poverty, housing instability, and overcrowded and unsafe living conditions.

For purposes of this analysis, housing needs are defined as having one or more of the following 4 housing problems: 1) Housing that lacks complete kitchen facilities, 2) Housing that lacks complete plumbing facilities, 3) More than 1 person per room (overcrowded), and 4) Cost burden greater than 30 percent of Area Median Income (AMI). HUD requires analysis of “disproportionate need” as part of examining housing needs. A disproportionately greater need exists when members of a given racial or ethnic group, at a given income level, experience housing problems at a greater rate (10 percent or more) than households within that same income level. Using this threshold, the analysis examines 2016-2020 CHAS data to identify households experiencing disproportionately greater need. This approach allows for identification of disparities across different racial and ethnic groups within income levels.

Race and/or Ethnicity	Occupied Housing Units	Percentage
White	18,840	83.2%
Black/African American	315	1.4%
American Indian	112	0.5%
Asian	1,369	6.0%
Native Hawaiian	11	0%
Other Race	899	4.0%
Two or more races	1,098	4.8%
Hispanic or Latino	2,893	12.8%
White Alone/Not Hispanic	17,327	76.5%
Total Occupied Housing Units	22,644	100%

**Table 12 - Occupied Housing Units by Race or Ethnicity**

Data Source: 2016-2020 5-year ACS Estimates, Table S2502



According to the 2016-2020 ACS 5-estimates for the same period as the CHAS provided by HUD for this analysis, a majority of the city's residents are White (83 percent). The second largest racial or ethnic group in Santa Cruz are Latino or Hispanic residents, making up approximately 13 percent of the population. Asian residents make up 6 percent of the population while Black or African American residents make up 1.4 percent of the city's population. As noted below, the American Indian and Native Hawaiian populations in Santa Cruz are very small (0.5 percent and 0 percent respectively).

### 0 % -30 % of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	4,310	485	470
White	2,865	390	280
Black / African American	70	0	0
Asian	320	55	95
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	935	25	40

**Table 13 - Disproportionally Greater Need 0 - 30 % AMI**

Data Source: 2016-2020 CHAS

Table 13 reports the number of extremely low-income (30 percent of AMI or less) households by racial and ethnic group that experienced 1 or more of the 4 housing problems discussed previously, as well as the number of households that experience none of the 4 housing problems. Approximately 19 percent of extremely low-income households in Santa Cruz experienced 1 or more of the 4 housing problems. Of the reported racial and ethnic groups, White households represented 66 percent of the total households with 1 or more housing problems, Black/African American represented 2 percent, Asian represented 7 percent, and Hispanic represented 22 percent.

### 30 % -50 % of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,970	495	0

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
White	1,490	460	0
Black / African American	20	0	0
Asian	145	10	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	285	25	0

**Table 14 - Disproportionally Greater Need 30 - 50 % AMI**

Data Source: 2016-2020 CHAS

Table 14 reports the number of very low-income (between 30 and 50 percent of AMI) households by racial and ethnic group that experience 1 or more of the 4 housing problems. Approximately 9 percent of very low-income households in Santa Cruz experienced 1 or more of the 4 housing problems. Approximately 19 percent of extremely low-income households in Santa Cruz experienced 1 or more of the 4 housing problems. Of the reported racial and ethnic groups, the White population represented 76 percent of the households with 1 or more housing problems, Black/African American represented 1 percent, Asian represented 7 percent, and Hispanic represented 14 percent.

#### 50 % -80 % of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,870	1,030	0
White	1,360	865	0
Black / African American	50	0	0
Asian	65	0	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	10	0
Hispanic	375	145	0

**Table 15 - Disproportionally Greater Need 50 - 80 % AMI**

Data Source: 2016-2020 CHAS

Table 15 reports the number of low-income (between 50 and 80 percent of AMI) households, by racial and ethnic group that experienced 1 or more of the 4 housing problems.

Approximately 8 percent of low-income households in Santa Cruz experienced 1 or more of the 4 housing problems. White households represented 73 percent of the total households with 1 or more housing problems, Black/African American represented 3 percent, Asian represented 3 percent, and Hispanic represented 20 percent.

#### 80 %-100 % of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	840	1,000	0
White	620	840	0
Black / African American	10	0	0
Asian	110	0	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	90	105	0

**Table 16 - Disproportionally Greater Need 80 - 100 % AMI**

Data Source: 2016-2020 CHAS

Table 16 reports the number of middle-income (between 80 and 100 percent of AMI) households by racial and ethnic group that experienced 1 or more of the 4 housing problems. Approximately 4 percent of middle income households in Santa Cruz experienced 1 or more of the 4 housing problems. The White population represented 74 percent of the households with 1 or more housing problems, Black/African American represented 1 percent, Asian represented 13 percent, and Hispanic represented 11 percent.

#### Discussion

The analysis of housing needs in Santa Cruz identifies 4 main housing problems: lack of complete kitchen facilities, lack of complete plumbing facilities, overcrowding (more than one person per room), and cost burden greater than 30 percent of Area Median Income (AMI). The study examines "disproportionate need," where certain racial or ethnic groups experience these problems at a rate 10 percent higher than others at the same income level. Data from 2016-2020 shows that extremely low-income households (0-30 percent AMI) face significant housing issues, with White households representing the majority, followed by Hispanic, Asian, and Black/African American households. Very low-income households (30-50 percent AMI) also experience housing problems, predominantly among White and Hispanic households. Low-income households (50-80 percent AMI) and middle-income households (80-100 percent AMI)

continue to face these issues, with White households being the most affected, followed by Hispanic, Asian, and Black/African American households. The analysis highlights the need for targeted interventions to address these disparities and improve housing conditions for all residents.

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

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

### Introduction

As discussed in the prior section, a disproportionately greater need exists when the members of a racial or ethnic group at a given income level experience housing problems at a greater rate than that of all households at the same income level. The following assessment expands on the analysis conducted under section NA-15. This section focuses on those households that experience the 4 severe housing problems, including lacking complete kitchen facilities, lacking complete plumbing facilities, severe overcrowding (more than 1.5 persons per room), severe cost burden (housing costs over 50 percent of income).

### 0 percent-30 percent of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,780	1,015	470
White	2,545	720	280
Black / African American	55	15	0
Asian	275	95	95
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	805	155	40

Table 17 – Severe Housing Problems 0 - 30% AMI

Data Source: 2016-2020 CHAS

Table 17 reports the number of extremely low-income (30 percent of AMI or less) households by racial and ethnic group that experience 1 or more of the severe housing problems introduced. Approximately 17 percent of extremely low-income households in Santa Cruz experienced 1 or more of the 4 severe housing problems. Of the reported racial and ethnic groups, the White population represented 67 percent of households with severe housing problems, Black/African American represented 1 percent, Asian represented 7 percent, and Hispanic represented 21 percent.

### 30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,335	1,130	0
White	1,010	930	0
Black / African American	0	20	0
Asian	75	80	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	215	90	0

**Table 18 – Severe Housing Problems 30 - 50% AMI**

Data Source: 2016-2020 CHAS

\*The 4 severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Table 18 reports the number of very low-income (between 30 and 50 percent of AMI) households by racial and ethnic group that experience 1 or more of the severe housing problems. Approximately 6 percent of very low-income households in Santa Cruz experienced 1 or more of the 4 severe housing problems. Of the reported racial and ethnic groups, the White population represented 76 percent of households with severe housing problems, Black/African American represented 0 percent, Asian represented 6 percent, and Hispanic represented 16 percent.

### 50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	995	1,905	0
White	685	1,535	0
Black / African American	35	15	0
Asian	0	65	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	10	0

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
Hispanic	260	260	0

**Table 19 – Severe Housing Problems 50 - 80% AMI**

**Data Source:** 2016-2020 CHAS

\*The 4 severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Table 19 reports the number of low-income (between 50 and 80 percent of AMI) households by racial and ethnic group that experienced 1 or more of the 4 severe housing problems.

Approximately 4 percent of low-income households in Santa Cruz experienced 1 or more of the 4 severe housing problems. Of the reported racial and ethnic groups, the White population represented 69 percent of households with severe housing problems, Black/African American represented 4 percent, Asian represented 0 percent, and Hispanic represented 26 percent.

#### **80%-100% of Area Median Income**

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
Jurisdiction as a whole	255	1,580	0
White	165	1,295	0
Black / African American	10	0	0
Asian	55	55	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	20	175	0

**Table 20 – Severe Housing Problems 80 - 100% AMI**

**Data Source:** 2016-2020 CHAS

Table 20 reports the number of middle-income (between 80 and 100 percent of AMI) households by racial and ethnic group that experienced 1 or more of the 4 severe housing problems. Approximately 1 percent of middle-income households in Santa Cruz experienced a severe housing problem. Of the reported racial and ethnic groups, the White population represented 65 percent of households with severe housing problems, Black/African American represented 4 percent, Asian represented 22 percent, and Hispanic represented 8 percent.

## Discussion

The analysis of severe housing problems in Santa Cruz reveals significant disparities among different racial and ethnic groups at various income levels. Severe housing problems include lacking complete kitchen or plumbing facilities, severe overcrowding, and severe cost burden (housing costs over 50 percent of income). Among extremely low-income households (0-30% AMI), 17 percent experienced severe housing problems, with White households representing 67 percent, Hispanic households 21 percent, Asian households 7 percent, and Black/African American households 1 percent. For very low-income households (30-50% AMI), 6 percent faced severe housing problems, predominantly among White (76 percent) and Hispanic (16 percent) households. Low-income households (50-80% AMI) saw 4 percent experiencing severe housing problems, with White households making up 69 percent and Hispanic households 26 percent. Middle-income households (80-100% AMI) had 1 percent facing severe housing problems, with White households representing 65 percent, Asian households 22 percent, and Hispanic households 8 percent. These findings highlight the need for targeted interventions to address severe housing problems and reduce disparities among racial and ethnic groups in Santa Cruz.



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

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

### Introduction

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

### Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	11,495	4,080	6,150	510
White	9,500	3,010	4,475	290
Black / African American	40	65	135	0
Asian	465	250	380	125
American Indian, Alaska Native	0	30	0	0
Pacific Islander	10	0	0	0
Hispanic	1,115	650	1,015	40

**Table 21 – Greater Need: Housing Cost Burdens AMI**

Data Source: 2016-2020 CHAS

### Discussion

According to the 2016-2020 CHAS data, 47 percent of Santa Cruz households experience being housing cost burdened. White households represented 73 percent of cost burdened households, followed by Hispanic households at 16 percent. When examining severe housing cost burden (households that spend over 50 percent of their household income on housing costs), the data reveals that approximately 28 percent of all households face this burden. The fact that almost half of households experience a housing cost burden speaks volumes about the critical need for affordable housing in Santa Cruz.

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

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

Based on the updated CHAS data, Black/African American households show a disproportionate housing cost burden, with approximately 83 percent experiencing cost burden, compared to the jurisdiction-wide rate of 47 percent. Additionally, Asian households show elevated rates of severe cost burden, with 35 percent spending more than 50 percent of their income on housing.

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

Through surveys completed for the Con Plan, residents identified several critical needs beyond housing cost burden concerns. In the housing sector, affordable rental housing emerged as the most pressing investment priority, followed by a strong demand for emergency shelters and transitional housing. The community also emphasized the importance of housing repair and rehabilitation services.

The survey revealed several areas identified as important needs for consideration. There were significant needs in health and social services, with mental health and substance abuse services identified as the top priorities. Healthcare services were also a high priority. Additionally, both children's/youth services and senior services were also recognized as areas requiring investment. Services for people experiencing homelessness and crime prevention/awareness programs were also highlighted as important community needs.

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

Hispanics/Latinos represent the largest minority population in the City of Santa Cruz (22 percent according to 2023 ACS estimates). It is important to note that the Hispanic/Latino population is generally dispersed throughout the city but with a concentration in the Beach Flats neighborhood. This neighborhood, within the Downtown/Beach census tract, is the tract with the highest Latino population in the city at 40 percent. Beach Flats has been a historically Latino neighborhood with higher rates of rental occupancy, lower property values, and limited English proficiency.

## NA-35 Public Housing – 91.205(b)

### Introduction

Public housing programs within Santa Cruz County were managed by the Housing Authority of the County of Santa Cruz (HACSC). The City retains no control over their programs or housing units. In January 2021, HACSC completed a Section 22 Streamlined Voluntary Conversion of all 234 Low Income Public Housing (LIPH) units in their program. As part of this conversion, ownership of the units was transferred to New Horizons Affordable Housing and Development, a non-profit affiliate of the HACSC.

Tables 22-25 include data provided by HUD’s Public and Indian Housing Information Center. These tables show the number of public housing units and vouchers used in the County of Santa Cruz and the characteristics of tenants using these vouchers. HACSC does not provide separate data at a City level in its reports to HUD. It also does not track HIV/AIDS program participants and survivors of domestic violence for privacy reasons. The table below pre-populated by HUD’s IDIS using data from the PIH Information Center (PIC). PIC data is not updated as regularly as other HUD systems and shows 226 Public Housing units, but as explained above, these units are no longer Public Housing units. As reported by HACSC in their 2025 Annual Plan, it currently administers 5,893 vouchers.

### Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units/vouchers in use	0	51	226	4,252	39	3,993	51	77	85

**Table 22 - Public Housing by Program Type**

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

Data Source: PIC (PIH Information Center)

### Totals in Use according to HACSC Annual Plan

Program Type	Total Units
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Emergency Housing Vouchers	280
Mainstream	90
VA Supportive Housing	111
Stability Vouchers	41
Foster Youth Independence	19
Project Based Vouchers	728
Tenant Based Vouchers	4,624
Total	5,893

**Table 23 - Assisted Units by Program Type**

**Data Source:** Housing Authority of the County of Santa Cruz 2025 PHA Annual Plan

## Characteristics of Residents

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher	
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income	0	12,530	24,517	17,954	14,442	18,172	11,446	15,677
Average length of stay	0	6	10	7	3	7	0	5
Average Household size	0	1	3	2	2	2	1	3
# Homeless at admission	0	12	0	106	3	88	5	3
# of Elderly Program Participants (>62)	0	18	38	882	23	824	15	2
# of Disabled Families	0	14	39	1,160	5	1,048	21	14

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project - based	Tenant - based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# of Families requesting accessibility features	0	51	226	4,252	39	3,993	51	77
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

**Table 23 – Characteristics of Public Housing Residents by Program Type**

**Data Source:** PIC (PIH Information Center)

## Race of Residents

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							VA Supportive Housing	Family Unification Program	Disabled *
White	0	50	214	4,028	38	3,786	45	73	79
Black/African American	0	1	5	118	1	109	5	1	2
Asian	0	0	6	57	0	53	0	1	3
American Indian/Alaska Native	0	0	1	45	0	41	1	2	1
Pacific Islander	0	0	0	4	0	4	0	0	0
Other	0	0	0	0	0	0	0	0	0

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

**Table 24 – Race of Public Housing Residents by Program Type**

**Data Source:** PIC (PIH Information Center)

## Ethnicity of Residents

Ethnicity	Certificate	Mod-Rehab	Public Housing	Program Type					
				Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							VA Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	18	167	2,177	8	2,107	7	32	21
Not Hispanic	0	33	59	2,075	31	1,886	44	45	64
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

**Table 25 – Ethnicity of Public Housing Residents by Program Type**

**Data Source:** PIC (PIH Information Center)

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

The data show a significant need for more accessible units across all programs. Of the 4,252 reported families that requested accessibility features, 1,160 (or 26 percent) have a family member with a disability. The tenant based voucher program serves the largest number of families categorized as disabled (1,048).

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

The data indicates several critical needs among current residents. The average annual income varies significantly across programs, from \$12,530 for Mod-Rehab participants to \$24,517 for Public Housing residents, highlighting the deep economic challenges faced by assisted households. The significant number of elderly program participants (882 across voucher programs) and families categorized as disabled (1,160 total) points to a need for specialized supportive services and accessible units.

**How do these needs compare to the housing needs of the population at large**

Among program participants, the average length of stay ranges from 3 years in project-based housing to 10 years in previously public housing, indicating the long-term nature of housing affordability challenges. The presence of 106 formerly homeless households in voucher programs shows the crucial role these programs play in addressing broader community housing needs.

**Discussion**

The demographic data reveals a diverse population of residents across all housing programs. White households represent most participants, followed by Hispanic households, reflecting broader community demographics. The significant number of families requesting accessibility features (4,252) compared to the current number of families categorized as disabled being served (1,160) suggests an ongoing need for accessible units and related services. Incomes among assisted families are also much lower than the city's median income of \$111,427, demonstrating the need for additional economic empowerment opportunities for these households.

## NA-40 Homeless Needs Assessment – 91.205(c)

### Introduction

The communities in Santa Cruz County embrace a regional approach to preventing and ending homelessness. This includes close coordination and collaboration between the County, cities, and key sectors in leadership roles to guide and align regional and local solutions to homelessness. The H4HP is the countywide HUD Continuum of Care (CoC). Two Santa Cruz City Council members hold seats on H4HP Policy Board (CoC leadership body), and several other Policy Board members represent Santa Cruz organizations or are Santa Cruz residents.

The H4HP oversees the region’s Homeless Management Information System (HMIS), conducts the annual countywide point-in-time (PIT) count and study of homelessness. HMIS and PIT data inform a variety of homelessness studies, needs assessments, and HUD reports that together analyze the extent of regional homelessness, the characteristics and needs of the homeless population, and the services and housing provided by and performance of the homelessness assistance system.

The annual Santa Cruz County PIT count consists of three primary components:

- Point-in-time, visual enumeration of unsheltered persons and families experiencing homelessness, including those sleeping outdoors, on the street, or in parks, tents, or vehicles.
- Point-in-time enumeration of persons and families experiencing homelessness in temporary shelter, including emergency shelters or transitional housing facilities.
- A comprehensive 395-person sample survey of the characteristics of persons and families experiencing homelessness in both sheltered and unsheltered locations.

The most recent countywide PIT count and study was conducted on January 25, 2024. With the support of about 100 persons, including those experiencing homelessness, community volunteers, staff from multiple city and county departments, and law enforcement, the entire county was canvassed between the hours of 5:00 a.m. and 9:00 a.m.

Population	Estimate the # of persons experiencing homelessness on a	Estimate the # experiencing homelessness	Estimate the # becoming homeless each	Estimate the # exiting homelessness	Estimate the # of days persons experience
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	given night		each year	year	each year	homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	161	10	297	126	138	179
Persons in Households with Only Children	0	0	0	0	0	0
Persons in Households with Only Adults	204	1475	2,072	393	341	257
Chronically Homeless Individuals	112	562	Unknown	Unknown	Unknown	Unknown
Chronically Homeless Families	36	0	Unknown	Unknown	Unknown	Unknown
Veterans	16	56	Unknown	Unknown	Unknown	Unknown
Unaccompanied Child	0	0	0	0	0	0
Persons with HIV	5	5	Unknown	Unknown	Unknown	Unknown

**Table 31 - Homeless Needs Assessment**

**Data Source:** 2024 PIT, HMIS (reported in Stella P for 10/1/23-9/30/24)

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

Because of the regional approach, most of the data presented covers the entire county geography. However, where possible data limited to the City of Santa Cruz is provided. 2024 PIT count data and 395-person sample survey were used to enumerate HUD-defined special populations for the entire county, detailed in the homeless needs assessment chart above, including adult, family, youth, chronically homeless, veteran, unaccompanied youth, and HIV populations. This data was reported to HUD in the 2024 CoC Homeless Population and Subpopulation Report. Noteworthy trends included significant decreases in chronic homelessness from 921 persons in 2022 to 710 in 2024, veteran homelessness from 332 persons in 2022 to 72 in 2024, family homelessness from 263

persons in families in 2023 to 171 in 2024, and unaccompanied youth and Transition Age Youth (TAY) homelessness from 334 persons in 2023 to 194 in 2024.

HMIS data was used where possible for estimates of the numbers of persons experiencing homelessness, becoming homeless, and exiting homelessness each year, and for the number of days a person experiences homelessness. The numbers reported are from the CoC's LSA submission to HUD for the 2023 PY (most recent annual data set) as presented in HUD's Stella P analysis tool. The following formulas were used for *household* type rows:

The number of persons in adult or family households experiencing homelessness each year = the number of persons in these household types homeless on a given night + the number of persons in these household types becoming homeless each year.

- The number of persons in adult or family households becoming homeless each year = the number of persons in these household types served in emergency shelter and transitional housing who had been homeless for 365 days or fewer.
- The number of persons in adult or family exiting homelessness each year = the number of persons in these household types served in all program types who exited the program to any destination.
- The number of days per person experiencing homelessness for persons in adult or family households = average cumulative days homeless for persons in these household types.

Estimates of the numbers of persons and families who are experiencing chronic homelessness, veterans, or are living with HIV could not be determined for the categories above marked "unknown." However, Stella P does report that 26 percent of persons served during the year (440 people) were experiencing chronic homelessness and 30 percent (504 people) were veterans. HIV status information was not available.

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

There was a significant decrease in families experiencing homelessness in Santa Cruz County from 76 families with 263 persons in 2023 to 52 families with 171 persons in 2024. In 2024, 94 percent of families experiencing homelessness in Santa Cruz County were sheltered, compared with 65 percent in 2023. Much of this success is due to the expansion of Rapid Rehousing (RRH) programs targeted to families and the expansion of Housing Authority voucher preferences and special purpose vouchers (e.g., the Family Unification Program [FUP]).

Veterans experience conditions that place them at increased risk for homelessness. Veterans frequently experience higher rates of Post-Traumatic Stress Disorder (PTSD), traumatic brain injury (TBI), sexual assault, and substance use disorders when compared to the non-veteran population. The number of veterans experiencing homelessness has decreased dramatically from 332 veterans in 2022 to 72 veterans in 2024, with 78 percent of veterans in 2024 being unsheltered, and 22 percent sheltered. These successes are largely due to the large expansion of both Supportive Services for Veterans Families (SSVF) and HUD-Veteran Affairs Supportive Housing (VASH) programs.

Household Type	Unsheltered	Sheltered	
		Emergency**	Transitional**
Adults	1,322	190	9
Children	6	55	35
Unknown	0	0	0
<b>Total</b>			
<i>Chronically Homeless (Adults and Head of Households)</i>	562	123	0
<i>Families with Children</i>	4	32	16
<i>Mentally Ill</i>	421	94	1
<i>Substance Abuse</i>	527	75	0
<i>Elderly (60 years and over)</i>	268	66	0
<i>Unaccompanied Youth</i>	206	8	7
<i>Veterans</i>	56	16	0

**Table 32 - Unsheltered and Sheltered Homeless by Population Type**

**Data Source:** 2024 PIT, 2023 PIT

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

The chart below uses 2024 PIT data and breaks out persons experiencing homelessness by race and ethnicity group categories listed. The following 3 groups appear to be disparately impacted by homelessness when comparing 2024 PIT data with the most 2023 Census data:

- 40 percent of the homeless population countywide is Hispanic/Latino(a)(x), yet only 35 percent of the overall Santa Cruz County population is Hispanic/Latino(a)(x).
- 5 percent of the homeless population countywide is Black/African American, yet only 1 percent of the overall Santa Cruz County population is Black/African American.
- 2 percent of the homeless population countywide is American Indian/Alaska Native/Indigenous, yet only 1 percent of the overall Santa Cruz County population is Black/African American.

Racial disparities can also be evident in the number of days spent homeless as tracked in the CoC's LSA submission to HUD for the 2023 program year. Multi-racial/other households spend the highest average number of days homeless (327), followed by Black/African American households (273), Hawaiian/Pacific Islander households (263), and White households (252). Those with the lowest average number of days homeless include American Indian/Alaska Native/Indigenous (226) and Hispanic/Latino(a)(x) (230).

Racial/Ethnic Group	Unsheltered	Sheltered	
		Emergency	Transitional
American Indian	34	6	0
Asian	48	0	0
African American	86	8	1
Pacific Islander	9	2	0
White	710	152	3
Multi-Racial	89	94	54
Hispanic/Latina/e/o	500	38	7
Middle Eastern or North African	0	0	0
<b>Total, All Racial Groups</b>	<b>1,485</b>	<b>300</b>	<b>65</b>
Non-Hispanic/Latino	935	172	4
Hispanic/Latino	550	128	61
Unknown	0	0	0

<b>Total, All Ethnic Groups</b>	<b>1,485</b>	<b>300</b>	<b>65</b>
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**Table 33 - Unsheltered and Sheltered Homeless by Race and Ethnicity**

**Data Source:** 2024 PIT, HMIS (reported in Stella P for 10/1/23-9/30/24)

### **Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.**

1,850 persons were identified as experiencing homelessness in Santa Cruz County on the night of the 2024 PIT count. This marked a slight increase from the 1,804 counted in 2023, but a significant decrease from the 2,299 counted in 2022.

The level of unsheltered homelessness remained high and increased slightly in Santa Cruz County. In 2024, 1,485 persons were counted as unsheltered, while 365 were counted as sheltered. These numbers were 1,426 and 378, respectively, in 2023.

The annual PIT count also breaks out the enumeration by jurisdiction within the county. In 2024, 659 persons were identified as experiencing homelessness in the City of Santa Cruz, which was a large 36 percent decrease from the 1,028 counted in 2023. Of these persons, 275 were sheltered (down slightly from 279 in 2023) and 384 were unsheltered (down significantly from 749 in 2023).

### **Discussion**

See above.

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

### **Introduction**

Certain households, because of their special characteristics and needs, may have difficulty finding housing that suit their needs. Special needs groups may include the elderly, persons with disabilities, persons with HIV/AIDS, female-headed households, large households, and those experiencing or at risk of homelessness. This section summarizes the nature and extent of housing and supportive service needs of special needs groups in Santa Cruz.

### **Describe the characteristics of special needs populations in your community**

Seniors: According to the 2018-2022 ACS estimates, approximately 16 percent of the population in the City of Santa Cruz is aged 65 or older. About 21 percent of households include at least 1 senior, with the majority being homeowners (61 percent) compared to renters (39 percent). Many senior households have limited incomes and face increasing healthcare costs, making affordable, accessible housing essential. Around 60 percent of senior households live alone, with women comprising most of these individuals.

Persons with Disabilities: Approximately 8 percent of the city's population is affected by 1 or more disabilities in 2018 to 2022. Among persons with disabilities, ambulatory disabilities are the most prevalent (36 percent), followed by cognitive disabilities (32 percent), and independent living disabilities (24 percent). Housing stock in Santa Cruz is predominantly older, with 70 percent constructed before 1990, making accessibility adaptations more challenging. Individuals with disabilities frequently encounter barriers to housing affordability and access, as well as extensive needs for supportive services.

Large Households: Large households (5 or more members) make up 7 percent of all households in Santa Cruz. These households face higher rates of overcrowding and cost burdens due to the scarcity of larger affordable housing units. The median rent levels in Santa Cruz exacerbate this issue, as larger rental properties are often unaffordable.

Single-Parent Households: Single-parent households, particularly those headed by women, represent 14 percent of all households in the city. Among these, approximately 62 percent are female-headed households with children. These families are at higher risk of financial instability and housing insecurity, given their need for affordable housing, childcare, and healthcare.

Victims of Domestic Violence: Local surveys and community data indicate that domestic violence remains a persistent issue in Santa Cruz. The Community Assessment Project (CAP) reported that 5 percent of survey respondents have close friends or family members who experienced domestic violence in the past year. However, actual rates are likely underreported.

Victims of domestic violence require immediate access to transitional housing, legal services, and counseling.

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

Persons with Drug/Alcohol Addictions: A Santa Cruz County Health Assessment noted that 23 percent of adults in the county report needing help for mental health or substance abuse issues. In 2023, 24 percent of homeless individuals self-identified substance abuse as a barrier to housing stability and 46 percent report having a substance use disorder. This population needs supportive housing combined with addiction treatment services.

General Needs Across Populations: Affordable housing remains the most significant need for low-income and special needs populations in Santa Cruz. High market rents, driven in part by Santa Cruz's proximity to the Bay Area and student housing demand from the University of California, Santa Cruz (UCSC), limit availability for these populations. Supportive services, including case management, healthcare, transportation, and childcare, are critical to enabling these households to maintain stable housing.

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

Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) require continuous medical intervention to manage. Santa Cruz County reported approximately 510 cumulative cases of AIDS as of the most recent Public Health Profile. The need for supportive housing and healthcare services is critical for this population. National estimates suggest that at least 25 percent of individuals with disabling AIDS require supportive housing at some point during their illness.

**If the PJ will establish a preference for a HOME TBRA activity for persons with a specific category of disabilities (e.g., persons with HIV/AIDS or chronic mental illness), describe their unmet need for housing and services needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2) (ii))**

Not applicable.

**Discussion**

The City of Santa Cruz faces significant challenges in meeting the housing and supportive service needs of its special needs populations. High housing costs, accessibility barriers, and limited availability of supportive housing exacerbate these challenges. A multi-faceted approach that includes developing affordable and accessible housing, increasing housing subsidies, and expanding supportive services is essential to address these issues effectively.

Collaboration among public agencies, non-profits, and community stakeholders will be critical to achieving these goals.



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

### **Describe the jurisdiction's need for Public Facilities**

Santa Cruz has a sizable number of nonprofit organizations and service providers, many of which require facility improvements and expansions to better serve the community. While nonprofit facility needs are often identified in advance, unforeseen circumstances—such as facility damage, policy changes, or new public programs like expanded healthcare services—can create urgent demands for new facilities or modifications.

The Community Needs Assessment survey (Survey) asked respondents to identify community priorities for public facilities. 57 percent of respondents prioritized libraries, followed by parks, playgrounds, and recreational areas (33 percent), and healthcare centers (7 percent).

The City's Department of Parks and Recreation developed the Parks Master Plan 2030, identifying needs through extensive public engagement. Two major goals of the plan include improving energy efficiency and accessibility in all facilities, as well as accommodating emerging recreational trends and addressing unmet needs. The plan recommends continued improvements at London Nelson Community Center, Depot Park, and Beach Flats Park, all of which are in the City's Neighborhood Revitalization Strategy Area (NRSA). The Santa Cruz Capital Improvement Plan (CIP) 2023-2027 also highlights key park and recreational facility enhancements, including ADA compliance upgrades, sustainability initiatives, and expanded green spaces to meet the growing needs of residents.

Additionally, the City is in the process of building a new main library in the downtown area, which will be part of a mixed-use affordable housing project located within the NRSA, and will provide accessible units for extremely low-, very low-, and low-income residents. The Santa Cruz CIP further outlines planned investments in library infrastructure, including technology enhancements, expanded community spaces, and modernized educational resources to better serve the public.

### **How were these needs determined?**

As indicated above, public facility needs in the City are determined based on the following:

- 2024-2025 Consolidated Plan Community Needs Assessment
- Community feedback during public meetings
- Consultations with Nonprofit Community Service Organizations
- Consultations with City Departments
- Santa Cruz Capital Improvement Plan (CIP) 2023-2027
- Santa Cruz Parks Master Plan 2030

## **Describe the jurisdiction's need for Public Improvements**

Many public improvements, including streets, drainage, water/sewer infrastructure, are aging and require upgrading to meet the increasing needs of the community. These infrastructure needs are outlined in the Santa Cruz Capital Improvement Program (CIP) 2023-2027, which prioritizes critical infrastructure repairs, modernization, and sustainability initiatives to support long-term community resilience.

CDBG funds have historically been used as gap funding for CIP infrastructure projects that benefit low-income residents. These funds play a crucial role in ensuring project completion when other funding sources are insufficient. The Santa Cruz CIP 2023-2027 emphasizes investments in stormwater management, accessibility requirements compliance, multimodal transportation enhancements, and green infrastructure, particularly in historically underserved neighborhoods.

Through consultations with City departments and community feedback from the Survey, 2 priority neighborhood infrastructure needs have been identified: enhanced security infrastructure, including improved lighting in pedestrian-heavy and high-crime areas to promote safety and walkability, and ongoing sidewalk and accessibility improvements, such as the installation of ADA-compliant curb ramps at intersections to ensure safe pedestrian access for all residents. These improvements align with the City's broader mobility and accessibility goals and support efforts to create a more connected and accessible urban environment.

## **How were these needs determined?**

As indicated above, public improvement needs were determined based on the following:

- 2024-2025 Consolidated Plan Community Needs Assessment
- Community feedback during public meetings
- Consultations with Nonprofit Community Service Organizations
- Consultations with City Departments
- Santa Cruz Capital Improvement Plan (CIP) 2023-2027

## **Describe the jurisdiction's need for Public Services**

Respondents to the Survey identified mental health services (33 percent), anti-crime programs (25 percent), and healthcare services (11 percent) as the top public service priorities. These findings align with feedback from the 2024 National Community Survey (NCS) Report for Santa Cruz, which emphasized concerns related to public safety, healthcare access, and youth support programs. While mental health and healthcare services fall under the jurisdiction of Santa Cruz County, and anti-crime programs are funded primarily through law enforcement, the City has

prioritized youth development initiatives, including the Santa Cruz Teen Center and Nueva Vista Community Resources, which continues to receive CDBG funding.

In addition to survey responses, the City's Health in All Policies Committee, which consists of 3 elected City Council members, holds regular open meetings with nonprofit service providers and the public to assess emerging needs and funding priorities. Ongoing consultations with City departments and community stakeholders continue to inform service expansion, funding allocations, and long-term program sustainability.

### **How were these needs determined?**

As indicated above, public improvement needs were determined based on the following:

- 2024-2025 Consolidated Plan Community Needs Assessment
- Community feedback during public meetings
- Consultations with Nonprofit Community Service Organizations
- Consultations with City Departments
- 2024 National Community Survey (NCS) Report for Santa Cruz

# Housing Market Analysis

## MA-05 Overview

### Housing Market Analysis Overview:

The following Market Analysis provides an overview of the socioeconomic and policy environment in which the City of Santa Cruz will administer its Community Development Block Grants (CDBG) and HOME Investment Partnership (HOME) funding over the course of the planning period. In accordance with HUD regulations, the analysis includes:

- Number of Housing Units
- Cost and Condition of Housing
- Public and Assisted Housing
- Homeless Facilities and Services
- Special Needs Facilities and Services
- Barriers to Affordable Housing
- Non-Housing Community Development Assets
- Broadband Needs
- Hazard Mitigation

In partnership with the Needs Assessment, the Housing Market Analysis provides the foundation for the goals and strategies defined in the Strategic Plan, and the programs and projects to be administered over this planning period. Many tables in this section are populated with default data from HUD, including 2016-2020 ACS and CHAS data sets. As necessary, additional data is supplemented from more recent ACS data sets.

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

### Introduction

The following section describes the significant characteristics of Santa Cruz's residential housing market. This is accomplished by a brief analysis of available data regarding the type and amount of housing units within the city, units by tenure, federal, state, and local targeting, expected loss of units, and the needs for specific housing and populations.

### All residential properties by number of units

Property Type	Number	%
1-unit detached structure	14,000	57%
1-unit, attached structure	1,885	8%
2-4 units	2,655	11%
5-19 units	2,710	11%
20 or more units	2,555	10%
Mobile Home, boat, RV, van, etc.	645	3%
<b>Total</b>	<b>24,450</b>	<b>100%</b>

**Table 26 – Residential Properties by Unit Number**

Data Source: 2016-2020 ACS

Table 31 reports pre-populated HUD data regarding the type of unit from the 2016-2020 ACS 5-Year Estimates. Table 31 indicates that a large majority (57 percent) of Santa Cruz's housing supply is single-family housing, with the remaining units being relatively evenly distributed amongst 1-unit attached structures, 2–4-unit structures, 5–19-unit structures, and 20 or more-unit structures, with a distribution of eight percent, 11 percent, 11 percent, and 10 percent, respectively. Additionally, 3 percent of Santa Cruz's housing supply is categorized as mobile home, boat, RV, van, etc. housing.

### Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	80	1%	1,900	16%
1 bedroom	555	5%	3,370	28%
2 bedrooms	3,400	32%	3,845	32%
3 or more bedrooms	6,450	62%	3,040	25%
<b>Total</b>	<b>10,485</b>	<b>100%</b>	<b>12,155</b>	<b>101%</b>

**Table 27 – Unit Size by Tenure**

Data Source: 2016-2020 ACS

An analysis of Santa Cruz housing supply, by unit size, based on the 2016-2020 ACS 5-Year Estimates, indicates most owner-occupied units are 2 or more bedrooms, at 94 percent.

Additionally, while renter-occupied units are more evenly distributed, 2 or more bedrooms still make up most of the supply at 57 percent. The table indicates a lack of studio and one-bedroom units for both rental and home-ownership options, which should be noted because these unit sizes are often more affordable than larger unit types.

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

Santa Cruz has approximately 1,000 affordable housing units assisted by various funding sources and programs. Sources include HUD Section 202, HUD Section 221 (d)(4), HUD Section 202/811, HUD Moderate Rehabilitation, HUD public housing and vouchers, Housing and Community Development (HCD), HOME, FEMA, Inclusionary, Public Housing, Affordable Housing Trust Fund, Red Cross, California Disaster Assistance Program, Low Income Housing Tax Credits, California Housing Finance Agency, Federal Home Loan Bank, or a combination of multiple sources of funding.

There are 291 senior units within 6 projects, 96 special needs units within 6 projects, 604 multifamily units within 14 projects, and 208 single room occupancy units within 5 projects.

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

Santa Cruz is at risk of losing 263 affordable housing units due to expiration contract dates occurring within the next ten years (2025-2035). 206 of these units are targeted for seniors, 47 are targeted for individuals with special needs, and seven are targeted for multifamily residents.

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

Santa Cruz has approximately 1,000 affordable housing units across various federal, state, and local programs, which is a significant number but still insufficient relative to demand. The population likely includes low- to moderate-income families, seniors, and those with special needs who require affordable housing options. There are 291 senior units within 6 projects, 96 special needs units within 6 projects, 604 multifamily units within 14 projects, and 208 single room occupancy units within 5 projects.

Despite this inventory, there is a notable lack of affordable units for smaller households or individuals with lower incomes, especially when considering the gap in affordable units of studio and one-bedroom sizes, which are typically more affordable than larger units. Given that one-bedroom and studio units are often in higher demand for younger households, individuals,

and lower-income renters, this suggests a potential gap in the housing market, especially for these demographics.

### **Describe the need for specific types of housing**

There is a clear need for affordable housing options for smaller households, especially given the underrepresentation of studio and one-bedroom units across both rental and homeownership sectors. In addition, the loss of affordable units due to expiring contracts represents a critical issue, as it threatens to displace vulnerable populations, including seniors and individuals with special needs.

Furthermore, while multifamily housing efforts have been made, a balance of housing types, including both affordable and market-rate units, is essential to meet the growing demand for affordable rental options in a highly competitive housing market.

### **Discussion**

Santa Cruz's housing inventory, while diverse, does not fully meet the needs of its population, particularly in terms of smaller, affordable housing units. Addressing these needs through expanded affordable housing development, maintaining existing affordable housing options, and increasing the availability of smaller rental units could better align the housing supply with the city's population's needs. The potential loss of affordable units over the next decade further emphasizes the urgency of addressing these housing challenges to ensure continued housing stability for all residents.

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

### Introduction

The cost of housing in Santa Cruz has seen substantial increases over the past decade, creating significant challenges for residents, particularly those with low to moderate incomes. Between 2009 and 2020, both home values and rental prices have surged, reflecting a tightening housing market. As homeownership and rental costs climb, a growing number of households are struggling to find affordable housing. This analysis provides an overview of the current housing market in Santa Cruz, including trends in home values, rental costs, and the affordability of housing for different income levels. Additionally, it explores how these trends are likely to affect housing availability in the future, and how the city can address these challenges to ensure that all residents, especially those with the greatest need, have access to safe, affordable housing. Through this analysis, we aim to assess the gaps in housing affordability and propose strategies for meeting the diverse needs of the population in the face of rising housing costs.

### Cost of Housing

	Base Year: 2009	Most Recent Year: 2020	% Change
Median Home Value	659,500	895,800	36%
Median Contract Rent	1,442	1,883	31%

**Table 28 – Cost of Housing**

**Data Source:** 2009 Census (Base Year), 2016-2020 ACS (Most Recent Year)

Between 2009 and 2020, median home values in Santa Cruz have increased by 36 percent, from \$659,500 to \$895,800, and median contract rent has risen by 31 percent, from \$1,442 to \$1,883. These increases outpace general inflation and indicate a tightening housing market. The rapid growth in housing costs suggests that homeownership and rental options are becoming increasingly out of reach for many residents, particularly those with low or moderate incomes.

Rent Paid	Number	%
Less than \$500	1,125	9.3%
\$500-999	1,005	8.3%
\$1,000-1,499	1,945	16.0%
\$1,500-1,999	2,965	24.4%
\$2,000 or more	5,110	42.0%
<b>Total</b>	<b>12,150</b>	<b>99.9%</b>

**Table 29 - Rent Paid**

**Data Source:** 2016-2020 ACS

A large percentage (42 percent) of renters are paying \$2,000 or more per month, indicating that rental prices in Santa Cruz are pushing a substantial portion of the population into higher rent



brackets. With 24.4 percent of renters paying between \$1,500 and \$1,999, there is a considerable strain on households with lower incomes trying to secure affordable rental housing. Given that rents for units at these price points are generally unaffordable for households earning below the area median income, many renters are likely to experience housing cost burdens.

### Housing Affordability

Number of Units affordable to Households earning	Renter	Owner
30% HAMFI	785	No Data
50% HAMFI	1,805	325
80% HAMFI	5,120	494
100% HAMFI	No Data	603
<b>Total</b>	<b>7,710</b>	<b>1,422</b>

**Table 30 – Housing Affordability**

Data Source: 2016-2020 CHAS

This distribution indicates that there is a considerable supply of rental units affordable to households at 50 percent HAMFI and 80 percent HAMFI. However, the number of affordable units available to extremely low-income renters (30 percent HAMFI) is limited, which creates a pressing need for more affordable rental units in the lower-income bracket. Additionally, the availability of affordable units for homeownership is especially low for lower-income groups, particularly for those earning 30 percent and 50 percent HAMFI, reinforcing the challenges of homeownership in the city.

The lack of ownership data at 30 percent HAMFI and rental data at 100 percent HAMFI should be noted.

### Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	2,212	2,502	3,293	4,077	4,568
High HOME Rent	1,414	1,516	1,822	2,096	2,319
Low HOME Rent	1,073	1,150	1,381	1,595	1,780

**Table 31 – Monthly Rent**

Data Source: 2019 HUD FMR and HOME Rents

The data in Table 36 shows monthly rent costs for various unit sizes in Santa Cruz as of 2019, comparing Fair Market Rent (FMR), High HOME Rent, and Low HOME Rent. FMRs range from \$2,212 for an efficiency to \$4,568 for a 4-bedroom unit, reflecting market rates. High HOME Rent is lower, with values from \$1,414 for an efficiency to \$2,319 for a 4-bedroom, aimed at

affordable housing programs. Low HOME Rent is the most affordable, ranging from \$1,073 for an efficiency to \$1,780 for a four-bedroom. The significant difference between Fair Market Rents (FMR) and Low HOME Rents highlights a substantial affordability gap, especially for low-income households who may find even High HOME Rent challenging. This reinforces the need for more affordable housing options within the Low HOME Rent range to meet the demands of lower-income residents.

### **Is there sufficient housing for households at all income levels?**

There is insufficient housing for households at all income levels in Santa Cruz, particularly for lower-income households. While there are affordable units available for some income groups, such as those earning 50 percent or 80 percent of the Area Median Family Income (HAMFI), there is a significant lack of affordable housing for those earning 30 percent HAMFI (extremely low-income households). This is further compounded by rising home values and rents, which push the available housing out of reach for many residents.

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

Affordability will likely worsen as home values and rents continue to rise. The 36 percent increase in median home values and the 31 percent increase in median contract rents from 2009 to 2020 already indicate that housing is becoming more expensive, which will likely continue as demand outpaces supply. This will make it even harder for low- and moderate-income households to find affordable housing, leading to increased housing cost burdens for many residents. Without intervention, housing affordability will continue to be a significant issue.

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

HOME rents and Fair Market Rent (FMR) are significantly higher than the Low HOME Rent limits, making it difficult for many low-income renters to afford housing at market rates. For example, FMR for a two-bedroom unit is \$3,293, while Low HOME Rent for the same unit is \$1,381, a gap that highlights the affordability challenge. As HOME Rent and FMR continue to rise, the strategy to produce or preserve affordable housing should focus on expanding the supply of affordable units that are priced closer to Low HOME Rent levels, preserving existing affordable housing units at risk of converting to market rates, and implementing subsidy programs to bridge the gap between market rent and what low-income households can afford.

### **Discussion**

Santa Cruz faces a critical shortage of affordable housing, especially for lower-income households. As home prices and rents rise, affordability will continue to decline, further exacerbating the housing crisis. The current rental market shows a significant gap between Fair Market Rent and what low income renters can afford, with Low HOME Rent providing the most accessible option. To address these issues, the city must prioritize strategies that focus on creating more affordable units at or below Low HOME Rent levels and preserving existing affordable housing. This will help ensure that the most vulnerable populations can access stable housing in the face of rising housing costs. A 2019 HUD Comprehensive Housing Market Analysis of Santa Cruz-Watsonville area noted both the sales and rental markets as extremely tight, supporting the needs for more units that are accessible to low and moderate income households.

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

### Introduction

The condition of housing is a critical element in understanding the overall health and stability of a community's housing market. Housing quality impacts not only the physical well-being of residents but also contributes to the broader community's economic, environmental, and social vitality. In Santa Cruz, evaluating the condition of housing units is essential for identifying areas in need of maintenance, rehabilitation, and potential policy intervention.

### Describe the jurisdiction's definition of "standard condition" and "substandard condition but suitable for rehabilitation":

Santa Cruz defines housing units as being in "standard condition" when they are structurally sound, do not have significant issues with systems such as plumbing, electrical, or heating, and meet all applicable building codes and health standards. On the other hand, "substandard condition but suitable for rehabilitation" refers to units that, while needing significant repairs, are not beyond repair and can be renovated or restored to a safe and livable state. These definitions help identify housing stock that may be viable candidates for targeted repair programs, particularly for lower-income households who may not be able to afford market-rate housing or new constructions.

### Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	3,005	29%	6,255	51%
With two selected Conditions	75	1%	615	5%
With three selected Conditions	0	0%	20	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	7,405	71%	5,270	43%
<b>Total</b>	<b>10,485</b>	<b>101%</b>	<b>12,160</b>	<b>99%</b>

Table 32 - Condition of Units

Data Source: 2016-2020 ACS

The condition of housing units plays a crucial role in determining the safety, livability, and overall quality of life for residents. In Santa Cruz, the housing stock is diverse, with various conditions reported across owner-occupied and renter-occupied properties. Analyzing the condition of these units helps highlight the areas that need immediate attention, identify trends that may worsen over time, and direct resources toward addressing deficiencies in the housing market. The following breakdown presents a snapshot of the housing condition in

Santa Cruz, focusing on how many units need repair or rehabilitation, and the varying needs of owner-occupied versus renter-occupied properties.

According to data from the 2016-2020 American Community Survey (ACS), housing units in Santa Cruz are categorized based on the number of conditions they may exhibit. These conditions include issues such as structural damage, outdated or non-functional plumbing, electrical problems, and other factors that could affect the habitability of a unit. Units are sorted into 4 groups, each reflecting a different level of need for repairs or rehabilitation.

- **Owner-Occupied Units:** In total, 29 percent of owner-occupied units (3,005 units) are reported to have 1 condition that may need attention. A smaller proportion of owner-occupied units (1 percent or 75 units) have 2 conditions requiring intervention, while no owner-occupied units show 3 or more conditions in need of repair. This suggests that most owner-occupied housing is in relatively good shape, though a significant number still face issues that require attention to maintain habitability and ensure long-term sustainability. However, there are some owner-occupied homes that have multiple conditions, indicating potential risks for owners if not addressed soon.
- **Renter-Occupied Units:** Renter-occupied units show a higher percentage of units in need of repairs. 51 percent of renter-occupied units (6,255 units) exhibit 1 condition that requires attention, and 5 percent (615 units) display 2 issues that need addressing. Additionally, 0.2 percent (20 units) of renter-occupied housing have 3 selected conditions. This higher rate of renter-occupied units in substandard condition suggests that renters are more likely to face housing that needs repairs compared to homeowners, possibly because of limited resources to maintain or improve rental units. Moreover, the fact that no units, whether they are owner-occupied or renter-occupied, have 4 selected conditions in need of repair, may imply that there are minimal cases where units are beyond repair but remain in use.

This distribution between owner-occupied and renter-occupied housing underscores the importance of ongoing maintenance and rehabilitation efforts in Santa Cruz's rental housing market. Given the higher number of renter-occupied units with one or more conditions, targeted interventions in the rental market could help reduce the number of substandard housing units, especially for low- and moderate-income renters who may not have the resources to address these issues independently.

#### Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	895	9%	1,190	10%

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
1980-1999	1,475	14%	3,095	25%
1950-1979	4,605	44%	5,535	46%
Before 1950	3,515	34%	2,345	19%
<b>Total</b>	<b>10,490</b>	<b>101%</b>	<b>12,165</b>	<b>100%</b>

**Table 33 – Year Unit Built**

**Data Source:** 2016-2020 CHAS

The age of a housing unit plays a significant role in determining its condition and the likelihood that it may need repairs or updates. Older homes are more likely to require maintenance, renovations, and even substantial rehabilitations to meet modern standards of safety, comfort, and energy efficiency. In Santa Cruz, housing units vary greatly in terms of when they were built, with many older homes and apartments that may present unique challenges for preservation and renovation.

The year a unit was constructed provides valuable insight into the types of issues that may arise. Older properties, particularly those built before the 1980s, are often at risk for issues such as outdated electrical systems, plumbing failures, asbestos, and lead-based paint, all of which can present serious health and safety risks. In contrast, newer homes typically have been built to more modern codes and standards and may require fewer repairs and updates to maintain their habitability.

The high percentage of older housing in Santa Cruz, among both owner-occupied and renter-occupied units, presents multiple challenges. As buildings age, they require more frequent maintenance and repairs, and the likelihood of encountering problems such as outdated wiring, plumbing leaks, or structural issues increases. Housing built before 1980 is more likely to contain lead-based paint, asbestos, and other materials that pose health hazards, especially for children or other vulnerable populations.

For renters, especially those in units built before 1980, there may be a heightened risk of exposure to these hazards, especially if the units have not been properly maintained or renovated. This is particularly concerning since renters may have less control over their living conditions and fewer resources to address issues. For owners, the costs of maintaining and upgrading older properties can be significant, potentially leading to deferred maintenance if homeowners cannot afford the necessary repairs.

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	8,120	77%	7,880	65%
Housing Units build before 1980 with children present	384	4%	145	1%

**Table 34 – Risk of Lead-Based Paint****Data Source:** 2016-2020 ACS (Total Units) 2016-2020 CHAS (Units with Children present)

A large percentage (77 percent for owner-occupied, 65 percent for renter-occupied) were built before 1980, thus increasing the likelihood for risk of lead-based paint hazards. This is more worrisome for units built before 1980 with children present. Although the percentages are low, (4 percent for owner-occupied and 1 percent for renter-occupied) this still puts hundreds of children at risk.

### Vacant Units

Market	Total Housing Units	Occupied Units	Occupancy Rate	Vacant Units	Vacancy Rate
Entire Market	23,778	21,669	91.1%	2,109	8.9%
Rental Market	11,693	11,331	96.9%	362	3.1%
Multifamily Market	7,893	7,463	94.6%	430	5.4%

**Table 35 - Vacant Units****Data Source:** 2023 ACS 5-year estimates and 2024 CoStar Multifamily Market Report

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According to the 2023 ACS 5-year estimates there are a total of 23,778 housing units in Santa Cruz, out of which 21,669 are occupied, resulting in a total market occupancy rate of 91 percent. This leaves 2,109 units vacant, corresponding to a vacancy rate of 9 percent. However, the multifamily market is much tighter with a vacancy rate of 5 percent, and even tighter when looking at the rental market with a 3 percent vacancy rate representing 362 vacant rental units. Several factors are currently influencing housing vacancy rates:

1. Interest Rates: Higher interest rates increase mortgage costs, making renting more attractive and potentially increasing vacancy rates for owned homes
2. Supply and Demand: An undersupply of housing units can lead to lower vacancy rates
3. Seasonality: Certain times of the year, such as summer, see more people moving into Santa Cruz for peak tourist season, which can affect vacancy rates
4. Property Conditions: Well-maintained properties are more likely to be occupied, reducing vacancy rates

These factors interact in complex ways, influencing the overall housing market dynamics in Santa Cruz.

### Need for Owner and Rental Rehabilitation

In Santa Cruz, the need for rehabilitation of both owner-occupied and rental housing is growing, particularly as a significant portion of the housing stock is older and in need of maintenance or updates. Many of these units are occupied by low- and moderate-income families, who are often the most vulnerable to substandard living conditions. Rehabilitation efforts can address issues such as outdated infrastructure, poor building conditions, and health hazards that

disproportionately affect low-income households. Specifically, units built before 1980 are more likely to contain lead-based paint hazards, which pose serious health risks, particularly for children. These hazards need to be remediated to ensure that all residents, especially children, live in safe environments.

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

Low- and moderate-income families in Santa Cruz are disproportionately affected by lead-based paint hazards due to their higher likelihood of residing in older homes built before 1980, which are more likely to contain lead-based paint. According to the recent data, there are approximately 8,120 owner-occupied units and 7,880 renter-occupied units built before 1980 in Santa Cruz, many of which are occupied by low- or moderate-income families. These families face a greater risk of lead exposure because they often lack the financial resources to remediate hazards in their homes.

Older housing units, particularly those constructed prior to 1980, are more likely to have deteriorating lead-based paint, which can pose serious health risks, especially to young children. Families living in these homes may experience significant health and developmental issues because of lead exposure. Given that low- and moderate-income households are more likely to live in these older homes, they are at a higher risk of encountering lead-based paint hazards, which underscores the urgent need for targeted rehabilitation efforts to address these issues and improve housing conditions for these vulnerable populations.

### **Discussion**

The presence of lead-based paint in older homes, combined with the potential for other health and safety hazards, underscores the urgent need for both owner-occupied and rental housing rehabilitation in Santa Cruz. Low- and moderate-income households are disproportionately affected by these issues, as they are more likely to live in older, deteriorating units that have not been properly maintained or renovated. These households may also lack the financial means to carry out necessary repairs themselves, which can lead to prolonged exposure to hazardous living conditions.



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

### Introduction

The City of Santa Cruz itself does not directly own public housing. Instead, public housing and affordable housing programs in Santa Cruz are primarily managed by the Housing Authority of the County of Santa Cruz (HACSC). As mentioned in a previous section, the HACSC converted its public housing units in 2021 and transferred ownership to their nonprofit affiliate. HACSC administers programs like Housing Choice Vouchers (also known as Section 8) to provide affordable housing options for low-income families, seniors, and individuals with disabilities. The City of Santa Cruz collaborates with HACSC and other organizations to support affordable housing initiatives and provide resources for residents in need.

### Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	0	51	234	3,986	42	3,944	103	1,067	885
# of accessible units									
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

**Table 37 – Total Number of Units by Program Type**

Data Source: PIC (PIH Information Center)

The table above is pre-populated by HUD's IDIS using data from the PIH Information Center (PIC). PIC data is not updated as regularly as other HUD systems and shows Public Housing units, but as explained earlier the HACSC transferred ownerships of these units to their affiliate. As reported by HACSC in their 2025 Annual Plan, it currently administers 5,893 vouchers. (See NA-35, Table 23 for a current inventory of HACSC units.)

### Describe the supply of public housing developments:

HACSC has 3 project-based developments (formerly public housing) within the City of Santa Cruz. There are currently about 1,199 units that have been assisted by federal, state and/or local funds including HACSC's project based units.

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

## Public Housing Condition

Public Housing Development	Average Inspection Score
N/A	

Table 38 - Public Housing Condition

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

As previously stated, there are no Public Housing units in the City of Santa Cruz, but there are multiple affordable housing developments within the City limits. The restoration of affordable housing units in Santa Cruz County involves several key initiatives aimed at improving the living conditions and overall quality of life for residents. These include:

- **Structural Repairs and Upgrades:** Many affordable housing units require significant structural repairs, including fixing roofs, foundations, and exterior walls. Upgrading plumbing, electrical systems, and HVAC units is also essential to ensure safety and functionality.
- **Modernization Efforts:** To meet modern standards, affordable housing units are being updated with energy-efficient appliances, improved insulation, and renovated kitchens and bathrooms. These upgrades not only enhance the living experience but also help reduce utility costs for residents.
- **Accessibility Improvements:** Ensuring that housing units are accessible to people with disabilities is a priority. This includes installing ramps, elevators, and other features to comply with the Americans with Disabilities Act (ADA).
- **Environmental Health:** Addressing environmental health concerns like lead paint, mold, and asbestos, is crucial. Remediation efforts are underway to ensure safe and healthy living environments for residents.
- **Community Spaces:** Revitalizing common areas and community spaces, such as playgrounds, gardens, and community centers, helps foster a sense of community and improve the overall living experience.
- **Energy Efficiency:** Implementing energy-efficient measures, such as solar panels and energy-efficient lighting, is a key focus. These initiatives aim to reduce the environmental impact and lower utility costs.
- **Safety and Security:** Enhancing safety and security measures, including better lighting, security cameras, and secure entry systems, is essential to ensure residents feel safe in their homes.

These restoration efforts require collaboration between local government, housing authorities, and the community to ensure that affordable housing units in Santa Cruz are well-maintained and provide a high quality of life for residents.

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

As previously stated, there are no Public Housing units in the City of Santa Cruz. The restoration and revitalization of affordable housing in Santa Cruz County is crucial to improving living conditions and ensuring long-term sustainability. HACSC is currently focused on the following efforts:

- Expand the Housing Choice Voucher program by increasing its utilization rate, the number of households assisted, and the number of participating landlords
- Expand the supply of affordable housing by increasing its Project Based Voucher program under contract and entering more co-development partnerships
- Improve the quality of affordable housing by installing solar photovoltaic panels to provide clean renewable energy and converting existing natural gas appliances to an electric or other green energy sources
- Increase housing choices for assisted families by conducting a Fair Market Rent (FMR) study bi-annually to ensure FMRs keep pace with market rents and offer voucher mobility counseling services
- Improve agency and program management by surveying key stakeholders periodically, including landlords and assisted families to identify areas for improvement in programs, services, and operations
- Utilize housing as a catalyst to promote equity, economic mobility, and improved quality of life by evaluating and possibly expanding its Asset Building Savings for YOU Program, implement a Board-Approved Resident Services Plan, with multi-generational services targeted to children and young adults, adults, and seniors

## **Discussion**

These efforts are part of a broader strategy to not only maintain but also enhance the quality of assisted and affordable housing in the County, ensuring it remains a viable option for low-income families, the elderly, and persons with disabilities.

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

### Introduction

As stated in the Need Assessment, the communities in Santa Cruz County embrace a regional approach to preventing and ending homelessness that includes close coordination and collaboration between the County, cities, and other key sectors. For many years, the partners in the regional CoC have worked hard to steadily expand and improve the inventory of interim and permanent housing options, as well as many other service programs, for meeting needs of those who experience homelessness.

### Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	139	0	80	127	48
Households with Only Adults	199	0	12	523	98
Chronically Homeless Households	0	0	0	624	0
Veterans	14	0	0	301	37
Unaccompanied Youth	0	0	0	0	0

**Table 39 - Facilities and Housing Targeted to Homeless Households**

**Data Source:** 2024 HIC, 2020-2024 HICs

Project Name	PIT Count	Total Beds	Utilization Rate
PVSS – 2-Year Transitional Housing for Families	46	64	72%
PVSS – 1-Year Transitional Housing for Families	11	16	69%
YHDP YAAS Transitional Housing for Young Adults	4	5	80%
YHDP Shared Transitional Housing for Youth	4	7	57%
<b>Total</b>	<b>65</b>	<b>92</b>	<b>71%</b>

**Table 44 - Transitional Housing Utilization**

**Data Source:** 2024 HIC, HMIS

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

Mainstream services such as health, mental health, and employment services play a crucial role in complementing targeted services for homeless individuals in Santa Cruz County. These services are integrated into the broader framework to ensure a holistic approach to addressing homelessness.

**Health Services:** The H4HP collaborates with local health providers to offer comprehensive healthcare services to homeless individuals. This includes primary care, preventive services, and specialized care for chronic conditions. Health services are essential for improving the overall well-being of homeless individuals and preventing health issues that can exacerbate their situation.

**Mental Health Services:** Mental health support is a critical component of the services provided to homeless individuals. The H4HP works with mental health professionals to offer counseling, therapy, and psychiatric services. These services help address mental health conditions that may contribute to homelessness and support individuals in achieving stability and recovery.

**Employment Services:** Employment services are designed to help homeless individuals gain financial independence and stability. The H4HP partners with local employment agencies to provide job training, placement services, and support for job retention. These services empower individuals to secure and maintain employment, which is a key factor in preventing and ending homelessness.

By integrating these mainstream services with targeted homelessness interventions, the H4HP ensures that homeless individuals receive comprehensive support that addresses their immediate needs and helps them achieve long-term stability and self-sufficiency.

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

The CoC's total inventory of temporary and permanent housing options targeted to persons experiencing homelessness has grown steadily from 1,706 year-round beds in 2020 to 2,656 year-round beds in 2024. Because of this regional approach, Table 43 uses the 2024 Housing Inventory Chart (HIC) for the entire county to report on the categories of shelter and housing that are listed. Where possible, data limited to the City of Santa Cruz is provided in the narrative.

In addition to the beds listed in Table 43, the CoC's 2024 HIC includes 444 Rapid Rehousing (RRH) beds and 1,132 Other Permanent Housing (OPH) beds (consisting of Permanent Housing (PH) - Housing with Services (no disability required for entry) and PH - Housing Only, as

identified in the 2024 HMIS Data Standards.) 1,543 of all bed types counted are for families with children (or 516 family units). 1,113 of all bed types are for adults only. Sizable numbers of beds are set-aside for other groups (overlapping in some cases) experiencing homelessness as follows:

- 624 PSH beds for persons who are experiencing chronic homelessness
- 355 beds (301 PSH, 40 RRH, and 14 Emergency Shelter) for veterans
- 83 beds (12 transitional housing, 19 RRH, and 52 OPH) for Transition Age Youth (TAY)
- 32 beds (14 emergency shelter and 18 RRH) for persons fleeing domestic violence (DV).

The annual HIC also breaks out all temporary and permanent housing options by “geo codes” which correspond with various jurisdictions within the county. “063360” is the geo code for the City of Santa Cruz geography. Overall, 713 year-round beds were counted in 2024 in the City of Santa Cruz, including the following:

- 285 emergency shelter beds (109 families, 176 adults, 14 veterans, 14 fleeing DV, 28 recuperative care)
- 7 transitional housing beds (all TAY)
- 319 RRH beds (182 families, 137 adults, 40 veterans, 10 TAY)
- 102 PSH beds (all adults experiencing chronic homelessness).

Not counted in the HIC are 146 homeless-targeted PSH beds that were under development in 2024 countywide. These include Park Haven (36 units/40 beds set aside for veterans, TAY and families experiencing homelessness), Veterans Village (20 units/beds for veterans experiencing homelessness), Housing Authority (41 Stability Vouchers for adults and families experiencing homelessness), Bienestar Plaza (15 units/25 beds set aside for adults and families experiencing homelessness), Tabasa Gardens (6 units/12 beds set aside for families experiencing homelessness), and Cedar Street Family Apartments (2 unit/4 beds set aside for families experiencing homelessness). Of these developments, only 2 – Bienestar Plaza and Cedar Street Family Apartments are in the City of Santa Cruz.

Table 44 uses 2024 HIC data (and PIT count data from HMIS) limited to transitional housing programs. In the past decade, the CoC has embraced a House First model centered on permanent housing and moved away from transitional housing in most cases. This has included prioritizing PSH and Rapid Rehousing the reallocation of CoC and other funds from transitional housing to PSH and RRH programs.

The remaining 92 beds are split among: (1) PVSS programs in the South County where family transitional housing for immigrant families experiencing homelessness has proven effective; and (2) youth transitional housing, which has proven effective for TAY.



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

### **Introduction**

In Santa Cruz, the supportive housing needs of various populations are diverse and require tailored services to ensure stability and well-being. The following sections describe the specific needs and supportive housing programs for different groups, including the elderly, persons with disabilities, individuals with substance use disorders, persons with HIV/AIDS, public housing residents, and other vulnerable populations.

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

Elderly and Frail Elderly: Elderly and frail elderly individuals often need housing that includes accessibility features, on-site medical care, and social support services. They reside in a range of settings including independent living situations to nursing homes with intensive support systems. Although specific data on elderly living in nursing, assisted living or other group facilities is not available, the steady growth of the City's senior population may suggest an increased need for elder facilities and housing. Seniors may also be especially impacted by the increase of housing costs in this area as many live on a fixed income. Often, frail elderly (75 years and above) may be able to remain living independently in their homes with the help of special services. The increased prevalence of health issues and disability among the senior population is exacerbated by limited access to health care that many low- to moderate-income elderly face.

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

The City's Downtown Senior Center at London Nelson provides seniors with social network opportunities through a variety of activities such as computer classes, social events, and weekday lunches. The Market Street Senior Center, located in a City owned building at 222 Market Street, also provides activities and programs for seniors. Additionally, home delivery by Meals on Wheels is available. Advocacy, Inc. provides a Long-Term Care Ombudsman Program



and the Patients' Rights Advocate Program for seniors and disabled individuals living in residential care facilities. ParaCruz is an ADA complementary paratransit service offering accessible door-to-door shared rides for people who are not able to use the bus due to a physical, cognitive, or psychiatric disability. Facilities like St. Stephens Senior Housing provide affordable apartments with amenities such as community rooms, fitness centers, and on-site support staff.

Persons with Disabilities: Persons with disabilities in the City are twice as likely to experience poverty than those without disabilities. They also face more frequent discrimination from landlords refusing to rent to them and must rely on the advocacy of fair housing services or accommodating owners/managers to secure housing. While this population often has limited incomes, those with disabilities often need a range of supportive services, independent living assistance, accessibility modifications, adaptive equipment, or other features in their home. Furthermore, as much of the housing stock in the City was constructed prior to 1990 (before the passage of the Americans with Disabilities Act), accessible housing is also limited in supply. The County of Santa Cruz Human Services Department coordinates federal, state, and county government funding for programs and services for disabled populations in the City of Santa Cruz.

Affordable housing for the physically disabled includes the 36 Redwood Commons project, which was designed to be 100 percent wheelchair accessible, has 13 units that are affordable to extremely- and very low- income persons. Priority is given to mobility impaired individuals and their caregivers.

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

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

People with Mental Health Illness: The Santa Cruz County Behavioral Health Division provides mental health and supportive services for residents with serious mental illness. These mental health services are offered either through directly operated or contract agencies throughout the County. Services typically provided are: assessment, therapy, medication, case management/brokerage, crisis intervention, and other supportive services related to housing and employment. These services are intended to reduce psychiatric symptoms, increase independent functioning and self-reliance so that individuals can achieve the fullest and most productive life. The strategy of these programs are to create a full continuum of care for clients' specific level of mental health needs and recovery goals. Some of the program offerings include

prevention and early intervention services, clinical services, recovery-focused wellness centers, and client-run services that are designed to support clients who are in later stages of recovery and specialty services to support veterans.

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

- Grace Commons offers 14 units of supportive housing operated by Encompass Community Services.
- Encompass Housing manages other scattered site housing with support services including services coordinators, county coordinators and peer support.
- Front St. Residential Care is a 47-bed adult facility serving individuals with mental disabilities.

Persons with Alcohol or Other Drug Addictions: People who suffer from substance abuse often require special housing services while they are being treated and recovering. The continuum of care for persons with substance abuse problems consists of four levels of assistance. Public inebriate reception centers, detoxification recovery facilities, recovery homes, and outpatient support networks offer varying levels of care to those with substance abuse issues willing to receive treatment. A public inebriate reception center is a 24-hour facility allowing people to undergo immediate help without being jailed. A detoxification recovery facility allows persons to stay up to 30 days. Persons who need extended assistance may require a stay in a recovery home for 30 to 90 days. Outpatient support networks, such as Alcoholics and Narcotics Anonymous, provide support groups, counseling, and other programs on an ongoing basis.

Facilities like Janus of Santa Cruz and Sobriety Works provide comprehensive substance use disorder treatment and supportive housing to promote recovery.

Persons with HIV/AIDS and their Families: Stable, affordable housing offers the best opportunity for persons living with HIV/AIDS to access drug therapies, treatments, and supportive services that will enhance the quality of life for themselves and their families. For many of those living with HIV/AIDS, short-term assistance with rent, mortgage, or utility costs alone will provide the necessary support to remain healthy and in stable housing. Additionally, a large majority of persons living with HIV/AIDS in the City may have low incomes and need support in the form of financial assistance for medical care, transportation, legal services, and other general support services.

Programs like the CARE Team provide case management and facilitate access to health services for eligible HIV-positive individuals. The federal Early Intervention Services program funds a variety of medical, mental health, nutrition and dental services while the Santa Cruz AIDS Project (SCAP) provides referrals and advocacy to legal services, assistance in obtaining and

maintain permanent housing, food bank, benefits advocacy, and assistance with insurance co-pays.

Foster Youth and Transitional Housing: Hundreds of foster youth age out of the Santa Cruz County child welfare system each year. Most have difficulties when looking for jobs, housing, higher education, or support. The goals of the transitional housing programs for former foster youth are to develop affordable apartments, transitional housing, and emergency shelters in Santa Cruz, in conjunction with supportive services to help youth become independent adults. In addition to housing, the programs offer job training, computer training, educational assistance, and other social services.

The Santa Cruz County Behavioral Health Division operates the Transition Age Youth (TAY) program that serves current and former foster youth aged 15-24 with a range of services to assist youth in making a healthy transition to adulthood. Their programs include counseling, skill-building, a drop-in center and subsidized supportive housing.

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

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

- **Health Care:** The County Homeless Persons' Health Project (HPHP) leads implementation of policies and protocols for homeless people leaving hospital care. HPHP's Project Connect provides frequent users of emergency rooms with intensive services to prevent hospitalization and homelessness. Hospital discharge planners contact HPHP when a homeless person is hospitalized. HPHP nurses and caseworkers visit and coordinate with all hospitals (and six community clinics) to ensure homeless people receive case management and housing upon discharge. For Medi-Cal individuals discharged from a hospital stay, the first step is often a recuperative care program, such as the medically frail motel program of Community Action Board. HPHP also works with the following providers (among others) to place those who are ready into long-term permanent housing: the HACSC, Encompass, HPHP housing programs, Santa Cruz AIDS Project, and Abode Housing. Additionally, Housing Matters operates several programs to support individuals transitioning from health institutions. The Recuperative Care Center provides temporary housing and medical care for individuals recovering from illness or surgery. Casa Azul is one of four Homekey Sites in Santa Cruz County and is a permanent supportive housing residence which offers stable

housing and support services for individuals experiencing chronic homelessness, helping them address physical and mental health issues and achieve long-term stability.

- **Mental Health:** The County of Santa Cruz Health Services Agency (HSA) has a formal procedure, designed with CoC member input and approval, for discharging patients from the psychiatric and other behavioral health units. A process has been established whereby the patient's status is reviewed and the patient is assigned to a Mental Health Services Team for follow-up care. Discharges from the hospital are transitioned to an appropriate level of care from sub-acute facilities to specialized beds. The HSA Housing Council meets weekly to identify housing and coordinate placements.

Routine housing placements include: the 10 bed Crisis House, the 16-bed El Dorado Center adult residential program, the 47-bed Front Street Residential Care facility, the 32-bed River Street Shelter for persons with severe mental illness, 130 units of supported housing units supplied by Encompass Community Services, 36 units of supported housing provided by Front Street, Inc. and Willowbrook (both County-funded), and Drake, as well as other rehabilitation and licensed residential care facilities.

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

The City will participate in several key initiatives aimed at addressing housing, supportive services, and community development needs including:

- The City will continue to support the Countywide Homeless Strategic Plan including homeless assistance programs. These activities are aimed at preventing homelessness and will be expanded, the activities include rental assistance, eviction prevention, and supportive housing for vulnerable populations.
- The City will continue increasing the availability of affordable housing units through new construction and rehabilitation projects. This includes partnerships with non-profit developers and leveraging state and federal funding.
- The City will continue to invest in infrastructure improvements. Investments in public infrastructure, such as libraries, parks, transit station and health centers, will be prioritized to improve the quality of life for residents.
- The City will plans to support enhancement to access to health and mental health services, particularly for low-income and special needs populations. This may include expanding mobile health clinics and integrating behavioral health services into existing programs.

- The City will continue its efforts to combat climate change through initiatives like the Climate Action Plan 2030, which includes measures to reduce greenhouse gas emissions and promote sustainable practices.

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

During the following year the City will address housing and supportive services through the proposed following activities:

- Security Deposit Program: In partnership with HACSC, the City will provide HOME funding for security deposit assistance to primarily low-income households. It is estimated approximately 25 households will receive assistance under this program.
- \*Rental Assistance Program: In partnership with the Community Action Board of Santa Cruz County the City will provide state-awarded funding for a local eviction prevention and rental assistance program. These eviction prevention efforts are anticipated to serve up to 80 low-income households in the City of Santa Cruz.
- \*\*Pacific Station North and Library Mixed Use Affordable Housing Projects: In partnership with Eden Housing and For the Future Housing, the City will continue making progress on 2 100% affordable housing projects in the Downtown. Both projects were funded with prior PY HOME funds and will create a total of over 250 rental units available to extremely low-, very low-, and low-income households.
- Youth & Adult Supportive Programing & Facility Improvements: The City will provide funding to the Teen Center and Nueva Vista programs to provide youth programming in the NRSA. Nueva Vista also provides additional programming and support to adults in the NRSA with government and housing forms, job information, and food/clothing pantries. \*\*The City is continuing to support the improvements to the Boys and Girls Club Downtown Clubhouse located in the NRSA.
- Food Availability: The City will provide funding to Second Harvest Food Bank to support food distributions with local City organizations within the NRSA and City-wide.
- Senior & ADA Facility Improvements: The City will provide additional funding to the Market Street Senior Center improvement project and the Depot Park ADA improvement project. Both facilities will improve access to the facilities for low-income persons and beyond. \*\*The City is also continuing to move the Civic Auditorium ADA improvement project forward to enhance safety and access to this public facility.
- \*Activities that are not HUD funded

\*\*Prior-year funded projects

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

### **Negative Effects of Public Policies on Affordable Housing and Residential Investment**

The lack of local redevelopment agency funding continues to hinder the City of Santa Cruz's ability to provide affordable housing in the community. As noted in the 2023-2031 Housing Element, funding at the State and Federal levels has not been consistent, making it difficult to plan for affordable housing projects in advance.

Development fees and fees charged by the City also contribute to the cost of construction and can have a negative effect on the production of affordable housing. While the City's fees have remained generally comparable to other jurisdictions in the region – and significantly lower than some neighboring communities – they still represent a significant portion of development costs. For a typical multi-family development project, land use entitlements plus development impact fees cost around \$11,977 per unit. For projects on larger lots (1 acre), these fees represent approximately 1.6 to 2 percent of direct development costs.

The City's development review and permitting processes, while necessary to ensure quality development, can also extend project timelines and create uncertainty. A typical residential project may take anywhere from 3 months to over a year to process, depending on the complexity of the project and the responsiveness of the applicant to requests for information. Projects often require multiple levels of review, which can extend timelines and impact project feasibility, particularly for affordable housing developments developing on tighter margins.

Infrastructure policies, particularly related to water and sewer services, can also impact development feasibility. While the City has planned for sufficient water capacity to accommodate regional housing needs, infrastructure upgrade requirements and connection fees add to development costs. The City's water policies, shaped by state and regional requirements, create additional considerations for new development projects.

Despite these policy constraints, the City continues to work to facilitate affordable housing development where possible. Recent policy changes have included reductions in parking requirements, adoption of objective standards to increase approval certainty, and efforts to streamline the review process for affordable housing projects. However, many of the most significant policy barriers, such as the loss of redevelopment funding and state environmental review requirements, will require action at the state level to be addressed.

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

### Introduction

This section examines Santa Cruz’s key non-housing community development needs, focusing on economic development opportunities and workforce needs. The City's Economic Development Strategy (EDS) outlines several core business areas that could create jobs and support economic growth, including programs to enhance quality of life and strengthen the local business environment. Regional efforts, including partnerships with Santa Cruz County and its neighboring communities, are also working to address local workforce needs.

### Economic Development Market Analysis

#### Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	485	83	2	0	-2
Arts, Entertainment, Accommodations	3,553	6,602	18	28	10
Construction	1,074	904	5	4	-2
Education and Health Care Services	3,550	4,002	18	17	-1
Finance, Insurance, and Real Estate	923	847	5	4	-1
Information	525	231	3	1	-2
Manufacturing	1,854	2,426	9	10	1
Other Services	940	1,247	5	5	0
Professional, Scientific, Management Services	2,148	2,148	11	9	-2
Public Administration	0	0	0	0	0
Retail Trade	2,314	3,491	12	15	3
Transportation and Warehousing	352	278	2	1	-1
Wholesale Trade	704	654	4	3	-1
Total	18,422	22,913	--	--	--

**Table 40 - Business Activity**

**Data Source:** 2016-2020 ACS (Workers), 2020 Longitudinal Employer-Household Dynamics (Jobs)

## Labor Force

Total Population in the Civilian Labor Force	36,485
Civilian Employed Population 16 years and over	33,950
Unemployment Rate	6.93
Unemployment Rate for Ages 16-24	17.21
Unemployment Rate for Ages 25-65	3.56

**Table 41 - Labor Force**

Data Source: 2016-2020 ACS

Occupations by Sector	Number of People
Management, business and financial	11,605
Farming, fisheries and forestry occupations	990
Service	3,780
Sales and office	6,465
Construction, extraction, maintenance and repair	1,505
Production, transportation and material moving	680

**Table 42 – Occupations by Sector**

Data Source: 2016-2020 ACS

## Travel Time

Travel Time	Number	Percentage
< 30 Minutes	21,740	74%
30-59 Minutes	4,763	16%
60 or More Minutes	3,052	10%
<b>Total</b>	<b>29,555</b>	<b>100%</b>

**Table 43 - Travel Time**

Data Source: 2016-2020 ACS

## Education:

### Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	750	85	510
High school graduate (includes equivalency)	1,915	175	1,010
Some college or associate's degree	5,935	285	1,715



Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Bachelor's degree or higher	13,085	435	1,885

**Table 44 - Educational Attainment by Employment Status**

Data Source: 2016-2020 ACS

## Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	0	80	300	390	170
9th to 12th grade, no diploma	575	170	150	255	160
High school graduate, GED, or alternative	4,190	970	720	1,410	1,100
Some college, no degree	12,570	2,025	1,225	2,455	1,920
Associate's degree	1,040	810	260	1,155	665
Bachelor's degree	2,455	2,695	2,010	3,350	1,925
Graduate or professional degree	40	1,505	1,890	3,970	2,170

**Table 45 - Educational Attainment by Age**

Data Source: 2016-2020 ACS

## Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	24,211
High school graduate (includes equivalency)	30,683
Some college or associate's degree	36,986
Bachelor's degree	62,374
Graduate or professional degree	81,293

**Table 46 – Median Earnings in the Past 12 Months**

Data Source: 2016-2020 ACS

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

According to 2016-2020 ACS data, the City of Santa Cruz's largest employment sector is Arts, Entertainment, and Accommodations, representing 28 percent of jobs and employing 18 percent of workers. This predominance reflects the City's strong tourism economy. Education and Health Care Services follows as the second-largest sector, accounting for 17 percent of both jobs and workers, influenced by the presence of UCSC and major healthcare institutions. Retail Trade represents the third-largest sector with 15 percent of jobs and 12 percent of workers, indicating Santa Cruz's role as a regional retail center.

**Describe the workforce and infrastructure needs of the business community:**

The changing economic landscape in Santa Cruz has created specific workforce and infrastructure needs. The technology sector requires both skilled workers and improved broadband infrastructure to support business growth and remote work capabilities. Tourism and hospitality businesses need workers across all skill levels, particularly in service roles. The EDS identifies public space improvements, particularly in the downtown and eastside/midtown districts, as crucial for supporting retail and tourism businesses. Transportation infrastructure needs include improved multimodal access and circulation in major business districts. Additionally, water infrastructure resilience has emerged as a critical need to support business growth while managing climate impacts.

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

Santa Cruz is undergoing significant transformation, particularly focused around its downtown core. Over 1,200 new housing units are planned for integration into the downtown area over the next 5 years, which will reshape the district's economic landscape. The City has successfully expanded its Downtown and Property-Based Improvement Districts, generating over \$325,000 in additional funding for district services and improvements. The "Downtown Pops!" program addresses vacant storefronts, while a new permanent Parklet Program supports outdoor business operations. The midtown district is emerging as a focus area for economic development, with new initiatives for district activation and management.

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

The city's workforce reflects a high level of educational attainment, with approximately 74 percent of adults aged 25-65 having some college education or higher. This educational profile aligns well with opportunities in the technology, education, and professional services sectors. However, gaps exist in middle-skill jobs crucial to the tourism and service sectors, which form a significant portion of the local economy. The city's proximity to Silicon Valley creates both opportunities and challenges, as local businesses compete with Valley employers for skilled workers.

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

While the city has historically benefited from workforce development through partnerships with Workforce Santa Cruz County and Cabrillo College, the Economic Development Strategy (2021-2025) emphasizes new approaches to workforce development. The strategy particularly focuses on connecting businesses to available resources and addressing specific transportation and infrastructure needs that affect workforce participation. These partnerships focus particularly on supporting the tourism industry, technology sector, and emerging green industries, aligning with the Cons Plan's goals for economic opportunity and sustainable growth.

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

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

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

Key focus areas include expanding the diversity of downtown businesses, strengthening commercial districts through improved management and services, and enhancing public spaces. The strategy emphasizes post-pandemic recovery while building long-term economic resilience through district activation and support for key industry sectors.

**Discussion**

Santa Cruz's economic landscape continues to evolve, balancing its roles as a coastal tourism destination, university town, and Silicon Valley neighbor. The City's approach, guided by the 2021-2025 Economic Development Strategy, focuses on strengthening commercial districts while adapting to changing business patterns. Success hinges on aligning workforce development with employment needs while preserving the unique character that makes Santa Cruz an attractive destination for businesses, residents, and visitors.

## **MA-50 Needs and Market Analysis Discussion**

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

Housing problems typically impact lower and moderate-income households disproportionately, compared to above moderate-income households. A low- and moderate-income concentration is defined as a Census Tract where at least 51 percent of households have an income at or below 80 percent of the Area Median Income (AMI). Large concentrations of low- and moderate-income households are in the Beach Flats and Lower Ocean neighborhoods.

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

According to Census data, above average concentrations of certain minority groups occur most commonly in low- and moderate-income areas. HUD determines that an area of minority concentration exists when “the percentage of households in a particular racial or ethnic minority group is at least 20 percentage points higher than the percentage of that minority group for the housing market area.”

According to 2022 ACS estimates, 78 percent of residents in the City of Santa Cruz identify as white alone, and 21 percent of residents identify as Hispanic or Latino. Census tracts by the beach flats and to the north by the University of California, Santa Cruz have above average percentages of Hispanics that qualify as concentrations. However, the 2023-2031 Housing Element did not identify any R/ECAPs in the City or in the neighboring communities.

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

Areas with high concentrations of racial or ethnic minorities and low-income families tend to have some of the highest concentrations of rental housing. These areas, particularly in and around the Beach Flats neighborhood consist of a mix of single-family homes and multi-family complexes, with over 70 percent of the households categorized as low income.

### **Are there any community assets in these areas/neighborhoods?**

The city works with several community groups and organizations that provide services in low- and moderate-income areas. The Beach Flats Community Center (BFCC) is located on the west side of the San Lorenzo River in Beach Flats. It serves as a neighborhood gathering and information center as well as providing after school, health related, and other programs. Nueva Vista is a Community Based Development Organization (CBDO) that primarily serves Hispanic and Latino communities in the Lower Ocean and Beach Flats Neighborhoods.

**Are there other strategic opportunities in any of these areas?**

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

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

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

The term “broadband” is commonly used to refer to a high-speed, always-on connection to the global internet. As such, broadband connectivity is also commonly referred to as high-speed broadband or high-speed internet. In an age when information technology drives much of the local, state, and global economies, broad connectivity is critical for all households to facilitate access to information and employment opportunities.

This is particularly true for low- and moderate-income households who may lack alternative channels for access to information, education, and employment. For these reasons, HUD recently introduced a new requirement to incorporate an analysis of access to broadband internet into the Con Planning process and requires that jurisdictions consider approaches to bridging the digital divide as part of their goal and priority-setting process, though falls short of requiring that actions be taken.

According to the [2022 ACS 5-Year estimates](#) (Table B28004), approximately 95 percent of households have an internet subscription, including 83 percent with broadband such as fiber optic, cable, or DSL. Despite widespread broadband availability, 6 percent of households lack an internet subscription, with disparities based on income level. Among households earning less than \$20,000 annually, 90 percent have broadband access, while 15 percent remain unconnected. For households earning between \$20,000 and \$74,999, 90 percent have broadband, leaving 9 percent without an internet subscription. In contrast, 97 percent of households earning \$75,000 or more have broadband access, with only 3 percent lacking an internet subscription.

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

The need for increased broadband choice and competition helps to reduce the digital divide in the Santa Cruz, where many neighborhoods are limited in their service provider options. Having multiple service providers helps to ensure that households have access to affordable broadband service that enables their participation in the digital economy. While the city is primarily served by AT&T and Comcast, with additional options from providers like Cruzio and Charter Communications, survey data from the County's 2022 Broadband Strategic Master Plan indicates that 22-25 percent of residents need more service provider choices in their location.

The survey also revealed that 40-55 percent of customers across all major internet service providers reported their provider needs to offer cheaper service.

According to the 2022 ACS data, despite 95 percent of Santa Cruz households having internet subscriptions, affordability remains a key concern. This is particularly significant for the 15 percent of households earning less than \$20,000 annually who lack internet access, compared to only 3 percent of households earning \$75,000 or more. Recent initiatives, including Cruzio's Equal Access Summit to Sea project which includes parts of the city, aim to expand service options and improve affordability. However, increased competition among providers would help ensure more reliable and affordable service options for all city residents.

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

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

The Climate Action Plan 2030 (CAP) was developed by the City of Santa Cruz to address climate impacts on infrastructure, safety, and the economic vitality of the community. The city faces increased natural hazard risks associated with climate change, currently resulting in approximately \$25 million per year in adverse impacts to the community. Rising sea levels, severe weather, and flooding impacts were identified as one of the most serious risks to the coastal community.

Sea level rise leads to increased flooding risk in Santa Cruz. A large portion of the downtown/developed urban core is located within the historic flood plain. The combination of more intense storms and rising sea levels creates increasingly severe flooding risks to the community. Droughts increase flood risks, and when followed by intense storms cause more runoff and debris flows.

Other risks faced by the city include drought, flood, and earthquakes. In recent years, wildfire risks have increased significantly throughout California, including in the wildlands surrounding Santa Cruz. More frequent and intense heat waves also pose growing risks to community health and safety. Climate change is intensifying these natural hazards while also creating new challenges such as deteriorating air quality during wildfire seasons and saltwater intrusion in coastal areas.

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

The City partnered with the American Geophysicist's Union Thriving Earth Exchange to assess social vulnerability to climate change, compiling and mapping social vulnerability scores. These scores provide greater insight into appropriate adaptation strategies for these areas based on the drivers of social vulnerability in addition to geography.

A vulnerable area identified in both the CAP 2030 and within the City's assessment is the Beach Flats area, which is the lowest income residential tract in the city. Storm flooding and erosion pose hazards to this neighborhood due to waves breaching the coastal infrastructure on Beach Road. The CAP 2030 specifically identifies frontline communities like Beach Flats as facing disproportionate risks from climate impacts.



# Strategic Plan

## SP-05 Overview

### Strategic Plan Overview

In conjunction with the Needs Assessment and Market Analysis sections, the Strategic Plan identifies the City's priorities and describes strategies that the City will undertake to address the previously identified needs and to achieve the objectives identified herein. In addition to this overview, the Strategic Plan includes the following topics:

- Geographic Priorities
- Priority Needs & Goals
- Anticipated Resources
- Barriers to Affordable Housing and Market Conditions
- Institutional Delivery Structure and Anti-Poverty Strategy
- Public Housing Accessibility and Involvement
- Homelessness Strategy
- Lead-Based Paint Hazards
- Monitoring

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

### Geographic Area

	AREA NAME	AREA TYPE
1	Gateway to the Pacific Neighborhood Revitalization Strategy Area (NRSA)	Comprehensive Revitalization (NRSA)

Table 47 - Geographic Priority Areas

### General Allocation Priorities

**Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)**

Together with this Consolidated Plan, the City is seeking to update the Gateway to the Pacific Neighborhood Revitalization Strategy Area (NRSA) as shown in the NRSA Plan. The NRSA is one of the areas in the City with the highest renter rates and lowest median incomes. The NRSA has been priority area for City assistance including CDBG funded projects and programs as well as other City efforts. The Beach Flats neighborhood, which is located within the NRSA, has the highest concentration of the minority Hispanic population in the City and is the most vulnerable to the risks of climate change as mentioned in MA-65. Please see the NRSA Plan for more information on the needs and conditions present in this area.

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

### Priority Needs

1	<b>Priority Need Name</b>	Increase and Preserve Affordable Housing Opportunities
	<b>Priority Level</b>	High
	<b>Population</b>	Income Extremely low; very low; and low income households Household Type Families, unrelated households; individuals (ALL) Special Needs Elderly; Persons with Disabilities; Veterans; Chronic Homeless
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Develop & Rehabilitate Affordable Housing Units Increase Access to Affordable Housing
	<b>Description</b>	Preserve, improve, and expand the supply of decent affordable housing for the City's lower income households. Increase the supply of affordable multifamily housing units targeting households at extremely low-,very low-, and low-income levels.
	<b>Basis for Relative Priority</b>	As indicated in the Needs Assessment Section of this Plan, the lack of affordable housing is the greatest need facing the City.
2	<b>Priority Need Name</b>	Reduce Homelessness
	<b>Priority Level</b>	High
	<b>Population</b>	Income Extremely low income households & individuals Household Type All household types and individuals Special Needs All Special Needs
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Provide Services to Prevent & Reduce Homelessness
	<b>Description</b>	Provide supportive services for the City's unhoused populations, including emergency, transitional, and permanent supportive shelter, as well as rapid rehousing and homelessness prevention. Increase and maintain transitional housing opportunities with supportive services to improve outcomes and stability and promote successful transitions into permanent housing.
	<b>Basis for Relative Priority</b>	Persons experiencing homelessness are the City's most vulnerable populations and therefore are a high priority.
3	<b>Priority Need Name</b>	Resilient & Healthy Communities
	<b>Priority Level</b>	High
	<b>Population</b>	Income Extremely low; very low; and low income households Household Type Families, unrelated households; individuals (ALL) Special Needs All Special Needs

	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Resilient Infrastructure & Public Facilities Healthy Neighborhoods & Residents
	<b>Description</b>	Resilience is the sustained ability of a community to use available resources to respond to, withstand, and recover from adverse situations, whether these situations be physical, social, economic, or health related. Areas across the City need improvements in infrastructure, public facilities, and resources to narrow disparities and mitigate the increased risk of natural disasters. Vulnerable populations, particularly persons experiencing and those at-risk of homelessness, low-income families, seniors, persons with a disability, and survivors of domestic violence, are often most impacted by these shifts and rely heavily on public services for basic life necessities, such as food and shelter.
	<b>Basis for Relative Priority</b>	Services and community investments are critical to maintaining healthy residents and communities. This need was among the highest concerns noted by the public during community outreach and in the survey.
4	<b>Priority Need Name</b>	Planning and Administration
	<b>Priority Level</b>	High
	<b>Population</b>	All
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	All
	<b>Description</b>	The City will implement the goals and objectives of the Consolidated Plan by delivering a variety of housing and community development programs and activities. The City will continue to comply with the planning and reporting requirements of the Consolidated Plan regulations, and CDBG and HOME regulations. Annually, the City will monitor its use of CDBG and HOME funds to ensure effective and appropriate use of funds.
	<b>Basis for Relative Priority</b>	Effective administration of programs and projects ensure success of activities and compliance with HUD requirements.

**Table 48 – Priority Needs Summary**

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

### Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	The City uses HOME funds for Security Deposit Assistance. Since security deposits are generally tied to monthly rents, the high rents in the City have driven up the amount needed for each security deposit which has been averaging about \$2,000 per household. Consultations with the Housing Authority of the County of Santa Cruz and other housing and service providers revealed that many landlords view voucher participants as high-risk tenants, and that the Fair Market rents set by HUD are lower than the true market rental rates they could collect. This has caused a shortage of landlord willing to rent to HCV recipients. The City may consider utilizing funds to support ongoing efforts to secure and incentivize HCV acceptance.
TBRA for Non-Homeless Special Needs	The city does not have a TBRA program specifically for Homeless Special Needs individuals, but the current TBRA program does not exclude those experiencing homelessness. HACSC operates special purpose vouchers through its Family Unification Program (transition age foster youth) and for families categorized as disabled. In some instances, vouchers are issued based on referrals from services providers.
New Unit Production	The high demand for housing in Santa Cruz drives the need for new housing units, but the limited availability of developable land constrains new housing production. In addition, the cost of construction materials and labor significantly affects the feasibility of new housing projects. High construction costs in Santa Cruz can limit the number of new units that can be produced with available funds. The City does have an Affordable Housing Trust Fund which receives contributions throughout the year, but the total funds currently do not meet the threshold needed to fill gap funding for housing projects within the City. Also, given the limited HOME Program funds, the City must accumulate several years of HOME Program allocations to reach the level of contribution that can fill a project gap. In addition to the high market costs to construct new housing, the HUD HOME Program timeliness requirements make

	<p>this accumulation of funds difficult. It is also challenging for some potential housing partners to take on the additional compliance requirements under the HOME program, making it more challenging to find projects to fund.</p>
Rehabilitation	<p>Many single family homes in Santa Cruz are older and may require repairs, updates, and rehabilitation indicating the new for a rehabilitation program. Rehabilitation can be an effective strategy to preserve affordable housing and improve living conditions for low-income families. However, the cost of labor and materials to do so is very high. With limited funds and staffing, the City has prioritized funding the rehabilitation of multifamily housing projects where LIHTCs or other funding can be used to leverage HOME funds. It can also be challenging to find property owners willing to provide affordable housing for a set time limit in exchange for available funds.</p>
Acquisition, including preservation	<p>Preserving affordable housing and preventing displacement is critical for the city. Though there are limited resources for this, the City can collaborate with developers and property owners to maintain affordability or utilize various funding sources (i.e., Affordable Housing Trust Fund, Permanent Local Housing Allocation) for acquisition and preservation of affordability. This can also be challenging if the affordable housing owner no longer wants to participate in affordable housing performance periods.</p>

**Table 49 – Influence of Market Conditions**

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

### **Introduction**

The City of Santa Cruz is a CDBG and HOME entitlement jurisdiction and has been allocated \$475,002 in CDBG funds and \$248,458 in HOME funds for Program Year (PY) 2025. Santa Cruz does not receive funding under the Emergency Solutions Grant (ESG) or Housing Opportunities for Persons with AIDS (HOPWA) programs.

In recent years, the levels of CDBG and HOME funds for Santa Cruz have begun to decline after a brief period of increases. In estimating the amounts of funding available over this Consolidated Plan period, the City took a conservative approach to assume about the average HUD funding allocations from the five prior years. This would be about \$510,000 in CDBG funds and \$350,000 in HOME Program funds.

In terms of CDBG program income (PI), the City does not anticipate a steady stream of significant PI over the course of this Consolidated Plan. The City expects to receive about \$25,000 per year in monthly loan payments. For HOME Program PI, the City expects to receive larger periodic loan repayments based on a share of project income for one or two housing projects. This is expected to average about \$80,000 per year. Additional PI may come from final loan-payoffs for the repayment of Rehabilitation (CDBG and HOME) and First-Time Homebuyer (HOME) loans. These will automatically be re-programmed for affordable housing activities. Specific projects will be identified during the Annual Action Plan process.

## 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: \$		
<b>CDBG</b>	<b>Public-Federal</b>	Community Facilities & Programs; Homeless Services; Affordable Housing Programs	475,002	25,000	0	500,002	2,000,000	Used to fund Community Programs, Infrastructure & Facility Improvements and 2 Housing Program's Delivery Costs.
<b>HOME</b>	<b>Public-Federal</b>	Affordable Housing	248,458	100,000	276,000	624,458	1,400,000	Used to fund Housing Development, Rehabilitation, and Security Deposit Program.
<b>City General Fund</b>	<b>Public – Local</b>	Public Improvements Public Services	3,000,000	0	0	3,000,000	12,000,000	General Funds used for social services, housing, and homeless programs.



<b>Affordable Housing Trust Fund</b>	<b>In Lieu of Fees</b>	Acquisition Admin & Planning Housing Multifamily Rental New Construction Multifamily Rental Rehab	5,300,000	0	0	5,300,000	3,600,000	Funding can be used for community programs or housing related activities: Affordable Housing Development and Preservation. Most flexible funding.
<b>LIHTC</b>	<b>Public – State</b>	Acquisition Housing Multifamily Rental New Construction Multifamily Rental Rehab	0	0	0	0	109,000,000	Funding is dependent on individual projects receiving Tax Credits.
<b>Other – Red Cross</b>	<b>Private</b>	TBRA Public Services	0	0	0	0	120,000	Prior uses of funding include Beach Flats Community Center, the Security Deposit Program, and Emergency Housing Assistance for Beach Flats and Lower Ocean neighborhoods.

Other State Cap & Trade – Infrastructure	Public – State	Homebuyer Assistance Housing Multifamily Rental New Construction Multifamily Rental Rehab	0	0	0	0	57,900,000	Includes funding from IIG and AHSC programs for the Metro and Library projects.
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Table 50 - Anticipated Resources

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

The extent of needs in the City Santa Cruz far exceeds the available funding from the CDBG and HOME programs. Most activities to be pursued by the City with CDBG and HOME funds will be leveraged with a variety of funding sources including grants from State and federal sources, private foundations, capital development funds, general funds, private donations of funds or services, and other various funding sources. The federal Low Income Housing Tax Credit (LIHTC) program remains an important source of funding for affordable housing. The City also intends to apply for new state grants that may become available.

Federal match requirements apply to the City's HOME funds. The HOME program requires that for every HOME dollar spent, the City must provide a 25 percent match with non-federal dollars. Currently, the City still maintains an excess in match requirements from previous fiscal years of almost \$16 million. This excess match will fulfill the City's HOME match requirements for many years at the current level of HOME funding.

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

**If appropriate, describe publicly 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 (formerly Homeless Services Center)
- Market Street Senior Center

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

### **Discussion**

See discussion above.

## SP-40 Institutional Delivery Structure – 91.215(k)

**Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.**

The City's Con Plan involves a collaborative effort among various stakeholders, including private industry, non-profit organizations, and public institutions. The City's Economic Development and Housing Department (EDH) is primarily responsible for developing and implementing the Con Plan. EDH coordinates with other departments, such as Planning and Community Development, to ensure alignment with broader city goals and policies. In addition, the Housing Authority of the County of Santa Cruz (HACSC) supports the Con Plan objectives by providing affordable housing.

Non-profit organizations play a crucial role in delivering services and programs funded by the City. They provide essential services such as affordable housing, community development, and supportive services for the city's low- and moderate-income residents. Private industry partners, including housing developers and businesses, are involved in various aspects of the plan, particularly in housing development and economic development projects. These partnerships help leverage additional resources and expertise to achieve the plan's goals. The City also emphasizes community involvement in the planning process. Public meetings, surveys, and consultations are conducted to gather input from residents and stakeholders, ensuring that the plan addresses the community's needs and priorities.

This collaborative approach ensures that the consolidated plan is comprehensive and effectively addresses the diverse needs of the Santa Cruz community.

Responsible Entity	Responsible Entity Type	Role
Housing Matters	Non-profit organizations	Homelessness
Nueva Vista Community Resources	Non-profit organizations	Non-Homeless Special Needs Anti-poverty Strategy NRSA
County of Santa Cruz Administrative Office, Health Services Agency, and Human Services Department	Government	Homelessness Non-homeless special needs Planning Public services
Housing for Health Division, County of Santa Cruz	Government	Homelessness Planning

Encompass Community Services	Non-profit organizations	Homelessness Non-homeless special needs Rental Public services
City of Santa Cruz	Government	Economic Development Homelessness Non-homeless special needs Ownership Planning Rental Neighborhood improvements Public facilities Public services
Community Action Board of Santa Cruz	Non-profit organizations	Homelessness Non-homeless special needs Public services
Monarch Services/ Servicios Monarca	Non-profit organizations	Non-homeless special needs Public services
Cruzio Internet	Private industry	Public services
Eden Housing, Inc	Housing Services and Developer	Rental Public services
For The Future Housing	Housing Services and Developer	Rental Public services
Habitat for Humanity Monterey	Housing Services and Developer	Rental Public services
Mid-Pen Housing	Housing Services and Developer	Rental Public services

**Table 51 - Institutional Delivery Structure**

### **Assess of Strengths and Gaps in the Institutional Delivery System**

Santa Cruz boasts a strong network of collaboration among public institutions, non-profits, and private industry, ensuring a comprehensive approach to housing and supportive services. The City emphasizes community involvement, making sure residents' voices are heard in planning and decision-making processes. The delivery system is culturally responsive, addressing the diverse needs of the community and promoting equity. Additionally, the County uses evidence-based practices to ensure services are effective and based on the latest research. There is also a focus on identifying and building on individuals' strengths and assets to promote self-efficacy and positive change.

However, despite these collaborative efforts, there are still limitations in resources, particularly in funding and staffing, which can impact service delivery. Service availability varies across

different geographic areas within Santa Cruz County, leading to unequal access. There is a need for ongoing capacity building among service providers to meet the community's evolving needs. Challenges remain in fully integrating services across different sectors, resulting in fragmented care. Effective data sharing and coordination among agencies and organizations at the regional level also poses a challenge, affecting the efficiency and effectiveness of service delivery.

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

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

**Table 57 - Service Availability and Targeting**

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

The service delivery system in Santa Cruz is designed to address the diverse needs of homeless individuals, including chronically homeless persons, families with children, veterans and their families, and unaccompanied youth. The organizations providing services have a variety of scopes and missions; some have narrow focuses, while others offer broad mainstream services. When combined, these organizations provide significant community support, including essential services such as emergency shelter, meals, and recovery programs, ensuring immediate relief and support. For those living with HIV, offerings include crucial testing, treatment, and educational services. Mainstream service providers further support these populations by providing mental health care, housing assistance, and other specialized programs. Collaboration and coordination with different agencies and organizations ensure a unified response to homelessness. Using data to inform decisions and track progress is a key aspect of the strategy, ensuring that resources are used effectively and efficiently. Together, these organizations and agencies create a comprehensive network aimed at improving the quality of life and fostering stability for vulnerable individuals and families in Santa Cruz.

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

Santa Cruz County has a well-coordinated system for addressing the needs of special populations and for implementing a holistic CoC strategy for addressing homelessness. The City has a history of effective collaboration with the County and other cities around joint efforts on homelessness. The Coordinated Entry System (CES) effectively connects individuals and families with essential housing-related resources. Additionally, new permanent supportive housing projects are being developed to provide stable housing for people exiting homelessness. The HACSC offers special voucher programs for disabled persons and operates a Veterans Affairs Supportive Housing program that pairs vouchers with supportive and health services. Comprehensive support services are provided by various local resources, agencies, and organizations, ensuring a robust network of assistance. With these resources and others, and through long-standing collaborative efforts, the City participates in a system that includes housing and service programs for all special populations, and is continually improving the system through such measures as CES, Housing First, and performance tracking.

However, funding remains deficient given the size of the homeless population and scale of need for existing and new homeless assistance programs. Lack of affordable housing is the largest barrier to ending homelessness and providing for individuals with special needs. Santa Cruz County has one of the most expensive rental housing markets in the nation making it extremely difficult to find affordable housing. In addition, the persistently high rate of unsheltered homelessness has exposed key gaps in the homelessness crisis response system, especially in

the City, where the presence of large encampments has challenged the whole community repeatedly. To address these local concerns, the City drafted a Homelessness Response Strategic Plan in 2024 to take a focused look at what could be done to better coordinate across all partners with this challenge, alleviate the suffering of homelessness, and shift the City from a reactionary to a proactive stance.

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

The City will continue to collaborate with the countywide CoC on strategies to prevent and reduce homelessness in the region. In addition, the City will continue to work with the County, other cities, and the community to apply for and secure new federal and state funding sources, to advocate for new revenue sources for housing, to deepen local and regional partnerships, and to support existing and new nonprofit providers that are adding or expanding homeless housing and services in the Santa Cruz.



### SP-45 Goals Summary – 91.215(a)(4)

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Develop & Rehabilitate Affordable Housing Units	2025	2029	Affordable Housing Homelessness	Citywide	Increase and Preserve Affordable Housing Opportunities	950,000	10 multifamily rental units constructed
2	Increase Access to Affordable Housing	2025	2029	Affordable Housing Homelessness	Citywide	Increase and Preserve Affordable Housing Opportunities	500,000	125 households served
3	Develop & Rehabilitate Housing & Facilities for Unhoused Persons	2025	2029	Homelessness	Citywide	Reduce Homelessness	TBD	10 homeless persons served by homeless services
4	Provide Services to Prevent & Reduce Homelessness	2025	2029	Homelessness	Citywide	Reduce Homelessness	TBD	100 homeless persons served by homeless services
5	Resilient Infrastructure & Public Facilities	2025	2029	Non-Housing Community Development	Citywide	Resilient & Healthy Communities	400,000	500 persons served 100,000 persons served
6	Healthy Neighborhoods & Residents	2025	2029	Non-Housing Community Development Non-Homeless Special Needs	Citywide	Resilient & Healthy Communities	1,100,000	150,000 persons served
7	Planning & Administration	2025	2029	All	Citywide	All	760,000	

**Table 52 – Goals Summary**

1	<b>Goal Name</b>	Develop & Rehabilitate Affordable Housing Units
	<b>Goal Description</b>	Preserve, improve, and expand the supply of decent affordable housing for lower-income households. Provide homeownership opportunities for low-income first-time buyers. Assist existing low-income owner-occupied households keep their homes safe and well maintained by providing rehabilitation funding and other needed assistance.
2	<b>Goal Name</b>	Increase Access to Affordable Housing
	<b>Goal Description</b>	Provide services for the City's low- and moderate-income populations to increase access to stable and affordable housing.
3	<b>Goal Name</b>	Develop & Rehabilitate Housing & Facilities for Unhoused Persons
	<b>Goal Description</b>	Provide housing and facilities for the City's homeless populations, including emergency, transitional, and permanent supportive shelter.
4	<b>Goal Name</b>	Provide Services to Prevent & Reduce Homelessness
	<b>Goal Description</b>	Provide prevention and supportive services for the City's unhoused populations to improve outcomes and stability.
5	<b>Goal Name</b>	Resilient Infrastructure & Public Facilities
	<b>Goal Description</b>	Prioritize the maintenance and improvement of municipal services, facilities, and infrastructure and prepare additional sites to serve the needs of City residents.
6	<b>Goal Name</b>	Healthy Neighborhoods & Residents
	<b>Goal Description</b>	Provide funding to services that are critical to maintaining healthy residents, including those in the City's NRSA.
7	<b>Goal Name</b>	Planning and Administration
	<b>Goal Description</b>	Efficient use of administrative funding for general management, oversight, coordination, and subrecipient monitoring.

**Table 59 – Goal Descriptions**

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

See Goals Summary above.

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

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

The Housing Authority of County of Santa Cruz (HACSC) is not under a Section 504 Voluntary Compliance Agreement.

### **Activities to Increase Resident Involvements**

The City of Santa Cruz will continue to support the resident involvement efforts of the HACSC such as engaging with its resident advisory boards, surveying residents to identify changing service needs, and offering self-sufficiency and homeownership programs.

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

The HACSC is not designated as troubled under 24 CFR part 902.

### **Plan to remove the ‘troubled’ designation**

Not applicable.

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

### **Barriers to Affordable Housing**

California housing law requires that each jurisdiction include an analysis of government constraints to affordable housing development as a required component of the adopted General Plan Housing Element. The City's analysis, based on the 2023-2031 Housing Element, identifies both constraints and recent efforts to reduce barriers to housing development.

Lack of Affordable Housing Funding and Cost of Development: The City faces substantial economic and market constraints. Housing costs remain high while land availability is limited. The Assessment reveals that 60-80 percent of renters overpay for housing in many areas of the city, particularly in Districts 4, 5, and 6. These challenges are compounded by geographic constraints including the coastal location, UC Santa Cruz campus boundaries, preserved open spaces such as Pogonip and DeLaveaga to the west and north, and the need to maintain industrial zones for employment opportunities.

Planning and Development Fees: Development fees and taxes can significantly add to the cost of housing, zoning, and site improvement fees. While fees remain necessary for permit processing, the City has identified this as an ongoing barrier to affordable housing development. These costs particularly impact development in “transit-rich” corridors like Mission Street, Ocean Street, and Soquel Avenue, where there is significant potential for affordable housing development.

Permit and Processing Procedures: The processing time required to obtain approval of development permits continues to be a contributing factor to the high cost of housing. For some complex development projects, additional time is needed to complete the environmental review process before development can be approved. To streamline plan review turnaround, the City Planning Department maintains regular interdepartmental review meetings to consolidate feedback to developers and cut down on unnecessary delays.

### **Strategy to Remove or Ameliorate the Barriers to Affordable Housing**

The City has developed a comprehensive strategy through their Housing Element to address these barriers. The City's approach focuses on both policy solutions and practical implementation:

Programmatic Policy Development: The City has amended the zoning ordinance to increase accessory dwelling unit development in single-family neighborhoods. The City continues to facilitate alternative housing types that respond to Santa Cruz's diverse population and housing needs, particularly focusing on single-person households, low-income households, students,

and special housing needs groups. These changes continue to be considered on a case-by-case basis as new development projects are proposed in the city.

Development Fees and Processing Procedures: In the past, the City has provided fee waivers for affordable housing development. This continues to be considered on a case-by-case basis as new projects are proposed. In some instances, fees have been deferred for a length of time and are then repaid when the project is operating. The City is also investigating and applying for various state, federal, and private sources to provide financing for the construction of new housing and the provision of supportive services. The City is working to remove barriers to housing choice vouchers and support strategic siting of new affordable housing that furthers fair housing goals.

The City has strategically distributed these efforts across all 6 districts, with particular focus on downtown revitalization (District 4), transit corridor development, and mixed-use development in high-resource areas, while working to preserve existing affordable housing in at-risk areas. The City has also prioritized the development and marketing of accessible housing, senior housing, and tenant services. Targeted support for vulnerable populations through comprehensive policies supporting low-income families, persons with disabilities, and homeless individuals has also been a focus. Financial assistance programs have been established for rental assistance, including support for security deposits and rent payments, as well as rehabilitation assistance to low-income households when feasible. Through this comprehensive approach, the City aims to create more equitable housing opportunities while preserving community character and addressing the needs of its diverse population.

## **SP-60 Homelessness Strategy – 91.215(d)**

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

In 2024, the City adopted a new Homelessness Response Strategic Plan (2024-2027). This Plan builds on the City's work over the past two years and provides a compassionate approach to homelessness that focuses on building more affordable housing, offering shelter, increasing outreach, prioritizing partnerships with community organizations, and managing large encampments that pose health, environmental, and safety risks.

The City uses a comprehensive outreach strategy, working in coordination with the County and local service providers. The City has representatives on the Housing for Health Board and participates actively in the County CoC, demonstrating increased leadership in regional homelessness response over the past three years. Notable outreach strategies include:

- County-level partnerships on outreach programs that target individuals outside city limits.
- Coordination between City staff and community-based organizations to connect clients with resources and coordinate responses.
- Investment in infrastructure that supports basic needs, like shower facilities and safe parking programs.

The City recognizes the complexity involved in navigating available services and works to create more accessible pathways to assistance, particularly for individuals experiencing challenges with mental health, substance use, or access to stable income.

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

Housing Matters serves as the largest shelter operator in the City. They provide facilities that include dedicated family shelter space. While Santa Cruz has adequate facilities for certain special populations, stakeholders have expressed concerns that traditional shelter facilities are not sufficient to meet the City's overall needs. The City focuses on:

- Supporting shelter operations through funding and coordination.
- Working to improve case management and housing navigation, while developing transitional housing opportunities where feasible.
- Exploring creative approaches like hotel conversion programs for both temporary and permanent housing solutions.

**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 recognizes that early intervention focusing on income growth and stability is crucial for successful transitions. While rapid rehousing programs provide immediate assistance, the City's strategy emphasizes the need for sufficient permanent housing inventory to support long-term stability. The City has been working more closely with the County on systems-level improvements while also prioritizing the development of permanent supportive housing options for community members.

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

Prevention efforts in the City must address unique challenges in what stakeholders identify as one of the nation's most unaffordable rental markets. The City's prevention strategy recognizes that many at-risk individuals may not qualify for traditional eviction prevention programs, particularly those in informal housing situations such as couch surfing or extended-stay hotels. A significant concern is student housing instability, with 7 to 9 percent of UCSC students experiencing homelessness. The City works to preserve existing affordable housing stock while addressing barriers like upfront costs that can prevent access to housing even for those who have steady incomes. These efforts require coordination with regional partners and monitoring of affordability covenants to maintain housing opportunities for more vulnerable populations.



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

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

California enacted stringent legislation to prevent childhood lead poisoning, establishing the Childhood Lead Poisoning Prevention Branch (CLPPB) under the California Department of Public Health (CDPH). The Santa Cruz County Health Services Agency (HSA) administers the Childhood Lead Poisoning Prevention Program (CLPPP), which provides a comprehensive approach to addressing lead exposure risks.

As of 2024, the CDPH reported updated lead testing data, indicating that childhood lead exposure rates remain low in Santa Cruz County, with fewer than 0.9 percent of children under six years old testing for elevated blood lead levels (5+ micrograms per deciliter (µg/dL)), aligning with statewide reductions in lead exposure risks. These figures reflect continued efforts in lead mitigation and education through local and state-level programs

Santa Cruz continues to enforce lead-safe housing standards by:

- Requiring lead risk assessments for pre-1978 housing receiving federal funding.
- Mandating safe lead removal practices during rehabilitation projects.
- Providing educational resources to landlords and tenants regarding lead safety.

The City of Santa Cruz has complied with federal lead-based paint regulations. These requirements apply to all federally assisted housing programs, including the CDBG and HOME programs. Additionally, new statewide policies aim to further reduce lead exposure risks, particularly in low-income and rental housing stock, through enhanced monitoring and enforcement mechanisms.

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

The City will continue to act, as necessary, to reduce LBP hazards in accordance with HUD regulations. Housing units with LBP hazards will have appropriate actions taken to remove, or otherwise abate, the hazard to legally permissible levels. Due to difficulties, and the potential lack of cost effectiveness associated with the prospect of developing a comprehensive inventory of lead hazards, the City has chosen to pursue an approach through which actions are taken to seek out and identify potential hazards, with abatement taking place as promptly and thoroughly as possible, in compliance with all applicable legislation and guidance.

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

The City of Santa Cruz integrates lead-based paint hazard reduction strategies into housing policies and procedures to ensure safe and healthy living environments for residents. This is achieved through:

- **Tenant and Landlord Education:** The City distributes lead-safe housing guidelines to rental property owners and tenants, ensuring that lead exposure risks and legal responsibilities are clearly communicated.
- **Code Enforcement and Compliance:** The City enforces lead-safe work practices in housing renovations by requiring contractors to comply with EPA Renovation, Repair, and Painting (RRP) Rule standards. Properties that fail to meet these standards are required to undergo remediation before occupancy.
- **Collaboration with Health and Environmental Agencies:** The City partners with Santa Cruz County CLPPP, HUD, and state health agencies to monitor and respond to lead hazards, aligning housing programs with public health initiatives.

The City has worked closely with housing partners to reduce and/or eliminate exposure to lead-based paint in housing units by providing funding to mitigate LBP as part of the overall rehabilitation of rental properties. The City will continue this effort in the next five years, ensuring that low-income families have access to safer, healthier homes while reducing the long-term risks of lead exposure.

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

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

The County of Santa Cruz Human Services Department (HSD) is the primary agency responsible for providing a range of social services and direct assistance to families living in poverty. The California Work Opportunity and Responsibility to Kids (CalWORKs) program is a key component of these efforts, offering temporary cash aid, job training, childcare, substance abuse and mental health services, and educational support to help families achieve self-sufficiency. The CalWORKs Employment Services (CWES) program requires recipients to participate in job training or work-related activities for 20-35 hours per week, depending on family size and structure. Immediate-need payments of up to \$200 are also available for families in urgent financial situations.

The City of Santa Cruz supports poverty reduction efforts through local programs and partnerships that complement County, State, and federal services. The City ensures that at least 51 percent of CDBG-funded programs benefit low- and moderate-income households, though in practice, over 90 percent of recipients of CDBG-funded social services are from very low- or extremely low-income households. The City directly supports the following anti-poverty programs:

1. **Rental Assistance** – The City collaborates with owners of developments assisted through the HUD Housing Choice Voucher program to encourage contract renewals, ensuring continued rental assistance for low-income households.
2. **Security Deposit Program** – HOME funds assist low-income households in paying security deposits, increasing access to stable housing.
3. **Eviction Prevention Program** – The City is working with CAB on an Eviction Prevention Program aimed at assisting low-income households with rental payments to avoid evictions.
4. **Childcare Support** – The City's Community Programs provide ongoing support for childcare providers, ensuring access to affordable early education. The City has implemented a Child Care Impact Fee for new developments so more resources can be made available for child care support programs.
5. **Workforce Development Board (WDB)** – A collaborative effort between businesses, educators, and government agencies to address regional workforce needs. The WDB oversees Workforce Santa Cruz County (WFSCC), which offers job training, reemployment programs, and workforce readiness services in partnership with Goodwill Central Coast and CAB.

6. Encompass Community Services – Encompass operates Head Start programs, which focus on school readiness, health, and family support. The Families Together Program provides home-based services to prevent Child Welfare Services referrals, improving family stability and child well-being.

HACSC is also an important partner in alleviating poverty in the region. HACSC operates a Family Self-Sufficiency (FSS) program that assists its voucher participants to move towards self-sufficiency and homeownership. The FSS program requires PHAs to develop strategies, such as job training, homeownership programs, scholarships, tuition reimbursement, childcare, and transportation, to help residents obtain employment, economic independence, and self-sufficiency. FSS participants receive career development, life skills, job training, and homeownership and financial literacy counseling as they continue the path to financial self-reliance. HACSC also operates the Resident Opportunities Self Sufficiency (ROSS) program which enables increased income for public housing residents, reduces and/or eliminate the need for assistance, and helps make progress toward achieving economic independence and self-sufficiency. Some of the benefits for these self-sufficiency programs include obtaining the education or training needed to earn a living wage, case management and support services, preparation for homeownership, and receiving an escrow check upon successful completion to help achieve life changing goals.

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

The City recognizes that affordable housing is essential for economic stability and poverty reduction. The jurisdiction coordinates anti-poverty strategies with this affordable housing plan in the following ways:

- Rental Assistance and Housing Programs: The City’s Rental Assistance and Security Deposit Programs align with the Santa Cruz Affordable Housing Plan, ensuring that low-income households can secure and retain stable housing.
- Affordable Housing Development: The City supports funding for affordable housing developments that integrate workforce housing initiatives, creating pathways to long-term economic stability.
- Workforce Development and Housing Stability: Programs like WDB and WFSCC provide job training, employment resources, and financial literacy programs, helping residents increase their earning potential and afford stable housing.
- Tenant Protections and Housing Stability Measures: The City promotes tenant rights, eviction prevention services, and landlord mediation programs, ensuring that low-income households are not displaced.

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

## **SP-80 Monitoring – 91.230**

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

The City has three basic types of monitoring.

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

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

EDH staff takes the lead in monitoring affordable projects when the City is the only or primary funding source or the City's affordability requirements for the project are the most stringent. When another funding source has more rigorous requirements, typically the City will receive copies of those monitoring reports to ensure compliance with City agreements and HUD funding requirements.

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

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