



Appendix F

Housing Resources



Housing Resources

The City of Santa Cruz provides a variety of resources and services to assist the community in accessing housing which meets their needs and income levels. This Appendix provides a summary of those resources and services.

A. Neighborhood Assets

Historically, the City has focused many resources in the Beach Flats, South of Laurel, and Lower Ocean Street neighborhoods which make up the City's Neighborhood Revitalization Strategy Area (NRSA). These areas have the highest concentrations of lower income households, with approximately 36 percent of households at or below the poverty limit. Community resources in the NRSA, and elsewhere in the City that serve the NRSA, include the following:

- **Nueva Vista Resource Center**: which includes a service center and food/clothing bank in the Lower Ocean Street neighborhood and the Beach Flats Community Center with youth programs in the Beach Flats neighborhood. Nueva Vista Resource Center is the only Community Based Development Organization (CBDO) serving the City's NRSA.
- **London Nelson Community Center and Laurel Street Park**: The Community Center provides a wide range of community uses including a Teen Center and a Senior Center. The Center is located in the NRSA.
- **Park Facilities**: Depot Park (a major City park with playing fields and an activity center); Mike Fox Skate Park; Beach Flats Park; Poet's Park and Community Garden; and pedestrian/bike paths along the San Lorenzo River. The municipal wharf and Ocean View Park are also located adjacent to the NRSA.
- **Wednesday Farmers Market**: Year-round market currently located at Lincoln and Cedar Streets, adjacent to the NRSA. This site is part of the area planned for development with the Library Mixed-Use project, which includes finding a new permanent location for the Farmers Market.
- **Metro Center Bus Depot**: Located on Pacific Avenue/Front Street between Cathcart and Laurel Streets.

B. Resources for Special Housing Needs Groups

1. Seniors

Seniors (persons 65 years of age and older) typically 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 partners 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 the additional

supplementary income needed for them to remain in their current home. Almost 70% of senior householders own their homes.

Additional resources are available for seniors throughout the community, including:

- **Senior Center at London Nelson Community Center:** provides elderly 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.
- **Housing Choice Voucher Program:** The Housing Choice Voucher (HCV) program provides subsidies to low-income, senior, and disabled households at varying levels based on household income. Through the Housing Authority of the County of Santa Cruz, Santa Cruz residents may receive HCV voucher assistance.
- **Other resources include:**
 - Home delivery by Meals on Wheels.
 - 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 senior transportation service.



London Nelson Community Center Senior Computer Class

2. *Persons with Disabilities*

The County of Santa Cruz Human Resources Agency coordinates Federal, State, and County government funding for programs and services for disabled populations in Santa Cruz. The following are supportive housing options for persons with psychiatric disabilities:

- **Grace Commons**: 13 units of supportive housing operated by the Encompass Community Services.
- **Other Encompass Housing**: Scattered site housing with support services including services coordinators, county coordinators and peer support.
- **Darwin House**: a 15-bed transitional Social Rehabilitation Program operated by Front Street Inc. is designed to prepare people for success in a more independent living.
- **Front St. Residential Care**: a 44-bed adult facility serving individuals with mental disabilities.
- **Water Street Apartments**: a 41-unit affordable development that provides housing for very low- and low-income individuals and families. Eight (8) units are reserved for disabled persons, with a preference for individuals who would benefit from developmental disability support services provided by Housing Choice and San Andreas Regional Center.
- **36 Redwood Commons project**: affordable housing for the physically disabled designed to be 100 percent wheelchair accessible. The development includes 13 units that are affordable to extremely low- and very low-income persons. Priority is given to mobility impaired individuals and their caregivers.
- **314 Jessie Street**: a 50-unit, 100 percent affordable supportive multifamily development to replace a 14-unit apartment complex. The project includes 48 units for very-low-income households and 2 manager units.

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. In addition, Santa Cruz Metro's ParaCruz program provides transportation services for persons with disabilities.

Lastly, persons living with HIV/AIDS in the City have access to the following resources and housing:

- **Federal EIS Program/HIV Early Intervention Services Program**: Federal program that funds a variety of medical, mental health, nutrition, and dental services.
- **CARE Team/Community Advocacy Resources Team**: Assists in accessing a variety of resources; provides nurse and case management, which includes assistance with medication, medication adherence, and facilitate doctor visits. Social workers conduct psychosocial assessments, follow up and referrals into appropriate mental health services.
- **Santa Cruz AIDS Project (SCAP)**: Provides referrals and advocacy to legal services, assistance in obtaining permanent housing, financial assistance in order to maintain

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

- **Pearlman House:** Four-bed transitional housing program for persons with HIV/AIDs.

3. Persons Experiencing Homelessness

The City of Santa Cruz has a long history of countywide collaboration with Santa Cruz County, its cities, and nonprofit organizations to prevent and end homelessness through the provision of housing and services to persons experiencing homelessness and those at immediate risk of homelessness. A wide range of homeless assistance programs are implemented to form a coordinated, countywide Continuum of Care (CoC) system, which works to resolve the crisis of homelessness, to house people as quickly as possible, and meet service needs along the way. Homeless housing facilities within the City of Santa Cruz include emergency shelters, transitional housing programs, rapid rehousing (RRH) programs, and permanent supportive housing (PSH) programs. Homeless-targeted supportive service programs include outreach and engagement, extreme weather shelter (seasonal), housing location assistance, health services, employment assistance, substance abuse recovery, legal aid, mental health care, Veteran services, youth and transition-age youth (TAY) services, youth host homes, public assistance benefits and referrals, family support and childcare, domestic violence support, personal good storage, personal care/hygiene services, parking programs, and ID assistance. The City allocated a total of \$4 million from the General Fund in 2022 for homelessness services, prevention, and cleanup, in addition to expenditures from State and federal funding. The City is also investing substantial police and fire resources in response to homelessness-related concerns for housed and unhoused members of the community.

Table F-1: Facilities and Housing Targeted to Homeless Households (2019)				
Type of Homeless Person/Household Served	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds
	Year-Round Beds	Voucher/ Seasonal/ Overflow Beds		
Households with Adult(s) and Child(ren)	117	0	76	0
Adult-Only Households	105	110	56	22
Chronically Homeless Households	0	0	0	0
Veterans	12	0	33	0
Unaccompanied Youth	0	17	2	0
<i>Source: 2019 Santa Cruz County Housing Inventory Chart (HIC) – the numbers report includes only HIC bed inventory with site addresses in the City of Santa Cruz, and in the case of scattered tenant-based RRH and PSH, an extrapolation of the number of beds in the City of Santa Cruz.</i>				

Three-Year Homelessness Response Action Plan

The 2022 Homelessness Response Action Plan provides “a roadmap for working to proactively address individual needs and community impacts related to homelessness,” says City Manager Matt Huffaker. The Plan focuses on the values of collaboration, health, safety, economic vitality, practicality, resource stewardship, and transparency. The Plan also details specific actions the City will take under the following topic areas:

- Building partnerships and capacity
- Permanent affordable and supportive housing
- Basic support services
- Care and stewardship
- Community safety



City Overlook Emergency Shelter

The City Overlook Emergency Shelter is a tent-based managed camp located on the National Guard Armory property and operated by the Salvation Army. The City funds this 24/7 shelter with two meals per day, shower facilities, 135 private (60 interior and 75 outside) tent-spaces, and transportation to and from the site. As a low barrier site, it allows pets, possessions, and partners.

River Street Transitional Camp

The River Street Transitional Community Camp provides 27 tent spaces on City-owned property. This City-funded camp provides access to basic services such as showers, cooking facilities, and staff to provide daily oversight and support. Persons staying at the camp are required to meet with City staff once a week and work with them to complete an Individual Service Plan, which helps identify steps to move towards more stable, permanent, and affordable housing. The camp is also low barrier and allows pets, possessions, and partners.

Safe Parking Program

The City has also developed a 3-tier safe parking program for people residing in oversized vehicles to park safely overnight.

- **Tier 1: Emergency Overnight Parking** – offers short-term access to overnight parking when individuals need an immediate place to stay before they can register for the Tier 2 program. Trash and hygiene facilities are available.
- **Tier 2: Night-Only Parking Program** – offers access to overnight parking for up to 30 days, with extensions granted when capacity allows. Program parking spots are located in City operated lots and participants are given permits to display on windshields that match designated parking spaces. Trash and hygiene facilities are available at overnight parking sites.
- **Tier 3: 24/7 Parking Program** – provides 24/7 parking, plus more stability through support services. The program has capacity for 15 or more oversized vehicles and provides

participants access to hygiene services, electrical charging, transportation to and from the program site, and connections to support services, including housing navigation services.

Additional Services and Facilities

The following lists services and facilities in place to address the needs of persons experiencing homelessness:

- **Housing Matters:** Is the City's and the County's largest provider of services for persons experiencing homelessness. The City owns approximately two-thirds of the site and leases it to Housing Matters at below-market rates. Programs located on its Coral Street campus include the following:
 - The Paul Lee Loft (PLL) – 30- to 90-day 40 bed emergency shelter.
 - Rebele Family Shelter (RFS) – 180-day emergency shelter for 28 households (up to 90 individuals) with children, also providing case management, parenting education, counseling, arts enrichment programs, and after school supportive programs.
 - Page Smith Community House (PSCH) – transitional housing and rapid rehousing (RRH) program up to 18 months for an estimated 40 individuals. PSCH also provides intensive case management services.
 - The Recuperative Care Center (RCC) – serves up to 12 homeless adults through a partnership with HOUSING MATTERS, the County Health Services Agency, and local healthcare providers.
 - 180/2020 – a multi-agency initiative to provide the chronically and medically vulnerable homeless with permanent supportive housing.
 - CalFresh Employment Training Project – provides intake, assessment, case management, and employment services to homeless clients.
 - Hygiene Bay – Shower facilities installed at Housing Matters. Open 10am-2pm, seven days a week. Restroom facilities in the same space are open to the public 24/7. The City funded a \$1.3 million rehabilitation of the hygiene bay that was completed in March 2023.
 - Youth RRH Program – YHDP-funded RRH program for youth and young adults
- **City Homelessness Response Team:** The City funds a variety of positions that provide direct assistance to people experiencing homelessness and indirect assistance through coordination with the CoC, County, non-profits, and others, including but not limited to a Deputy City Manager, Homelessness Response Manager, Homelessness Response Coordinator, three outreach workers (two full-time equivalent), and many individuals who assist with daily response efforts as part of the encampment assessment and management team.
- **Encompass Community Services (ECS):** Encompass is a non-profit organization with about forty programs county-wide providing services in behavioral health, family and social well-being, early childhood education, housing, and more. They provide access to housing, counseling for individuals, families, and youth, substance abuse recovery programs, Head Start and pre-k, re-entry services, and health and financial services. Encompass also operates the Transition-Aged Youth (TAY) Drop-In Center, which assists current and former

foster, probation placement, and homeless youth ages 15-24 in building skills, self-esteem, and a support system. The Drop-In Center is equipped with a cozy living room, kitchen, laundry facility, and computer lab, and offers counseling services, food, and clothing donations, as well as a daily hot meal.

- **The Homeless Persons Health Project (HPHP)**: also located on the Housing Matters Campus, HPHP furnishes health and related services. In addition to medical care and treatment, HPHP provides information and referrals, alcohol and drug use support, health education, homelessness prevention and rapid re-housing, and case management. HPHP also coordinates and provides wraparound health and social services in the following PSH projects all targeting chronically homeless, medically vulnerable adults:
 - 41-bed Shelter Plus Care Program (partnering with the Housing Authority)
 - 42-bed scattered site MATCH program (partnering with Front St., Inc.)
 - 11-bed Nuevo Sol SRO (partnering with South County Housing).
- **Downtown Santa Cruz Outreach**: Two City-funded full-time Downtown Outreach Workers work with homeless individuals to connect them with resources seven days per week, ten hours per day.
- **HERO: The Homeless Engagement Resources Officers**: links two police officers with the County's Homeless Outreach, Proactive Engagement Services (HOPES) Team, to better engage homeless people on the streets and connect them with appropriate behavioral health and other services.
- **County Office of Education Students in Transition Project**: provides a homeless project specialist to ensure educational rights and protections for children and youth experiencing homelessness. The program provides services for 1,500 students who are homeless and serves as an educational liaison for all public and private districts and schools.
- **Community Action Board Shelter Project**: daily hotline with information and referral to shelters and other services. The Project also provides a countywide homeless housing and service resource guide, voicemail for homeless people, emergency motel vouchers for medical emergencies, and rental/eviction/foreclosure assistance. The Project also partners with County Office of Education (above) to implement the Youth Homelessness Response Team, providing an integrated services team approach for youth experiencing homelessness.
- **Association of Faith Communities (AFC)**: Faith-Based safe parking program for persons living in vehicles.
- **Other Population-Specific Shelters**:
 - Pagett Center, 12 beds for homeless veterans;
 - Siena House, 10 beds for pregnant/newly parenting women;
 - Monarch Services, Mariposa House 18 beds for women/children fleeing domestic violence;
 - Jesus, Mary, and Joseph Home, 12 beds families with children and terminally ill persons.
- **Homeless Garden Project**: job training and transitional employment for 30 to 50 homeless people in organic gardens and related enterprises.

- **Downtown Streets Team**: job training and transitional employment in streets cleanup and community beautification projects.
- **HUD-Veterans Affairs Supportive Housing Program (VASH)**: combines HUD rental assistance for 200 homeless veterans with case management and clinical services provided by a Veterans Affairs caseworker.
- **Supportive Services for Veterans Families (SSVF)**: prevention and rapid rehousing services programs provided by Housing Matters (above) and the Veterans Resource Center.
- **Families in Transition (FIT)**: operates a series of prevention and RRH programs for families experiencing homelessness, funded by HUD HCV, HUD CoC, County CHAMPS Program, CalWorks Welfare-to-Work, and the California Bringing Families Home Program.

4. *Extremely Low Income (ELI) Households*

Housing and support services for ELI households continues to be a critical need in the City. As the private sector offers limited housing opportunities for affordable, ELI housing, the City and non-profit partners, typically capitalizing on various state and federal funding assistance, provide the vast majority of new ELI housing in the City. The City has employed a wide range of strategies to make great strides in producing ELI housing, on both City-owned properties with City-led developments and in partnership with non-profit developers on privately-held lands. The “Financial Resources” section below speaks to many of the City’s funding strategies that often support ELI households.

The City has entitled four projects (Jessie Street, Pacific Station South, Pacific Station North, and Cedar Street Apartments) through AB 2162’s streamlining of 100 percent affordable projects that contain at least 25 percent supportive housing units. Those four projects total over 300 units, including approximately 91 ELI units including approximately 80 supportive housing units. While the City’s population only requires that projects up to 50 units in size be streamlined through AB 2162, the City Council authorized three of the aforementioned projects to use AB 2162 streamlining even though they exceeded 50 units in size.

The City regularly pursues property acquisitions or assists non-profits in acquiring properties as one way to promote ELI and supportive housing production. The City recently acquired a property at 125 Coral Street and completed a visioning exercise where the preferred uses of that property include physical and mental health clinic space targeted at people experiencing homelessness, a navigation center (homeless shelter with wrap-around services), and affordable housing. While the income levels for the affordable housing component are still to be determined, it is expected that a portion of the units will serve ELI households, offering a place where such households can transition from an entitled 120-unit PSH project on the adjacent parcel that is expected to begin construction in Fall 2023. The City also recently assisted a non-profit developer with their acquisition of 136 River Street by loaning the developer funds for their purchase, and it is expected that a portion of the new homes constructed on that site will serve ELI households. The City also owns property at the northeast corner of Highways 1 and 9, and the City is actively negotiating with Caltrans for acquisition of the property they own at that intersection. The site will ultimately be developed with affordable housing, again, with a significant number of ELI units expected. The City has also entitled a project downtown that includes a new library, childcare facilities, and a 100

percent affordable housing project containing approximately 124 units, of which 19 are expected to serve ELI households. Construction of that project could start as soon as Fall 2024.

The City also provides a variety of other supports that directly benefit ELI households. The City funds programs that provide tenants with eviction prevention services and legal advice. The City's Rental Inspection Service ensures that all tenants, including ELI tenants, regardless of the amount of rent they pay, have safe and healthy housing. The City funds rental assistance programs that provide first and last months' rent and/or emergency funding for qualifying low-income households, administered through Community Action Board. The City encourages landlords to accept Section 8 Housing Choice Voucher tenants, including ELI tenants, by providing funding to the Housing Authority for mediation services and expanded damage deposits. Chapter 2 of the Housing Element recognizes the great work that the City is doing to protect ELI tenants and expand housing choices for ELI tenants by establishing policies and programs for expanding, promoting, and/or maintaining many of these ELI household supports.

C. City-Owned Land

The City has long-term leases of City-owned property with non-profit organizations. Programs operating on leased City-owned properties include:

- Housing Developments including Neary Lagoon, Nueva Vista, Sycamore Commons, the Tannery, and Gault Street Senior Housing; affordable housing and PSH developments in process on City property include Pacific Station South (under construction – includes Extremely Low Income and supportive housing units), Pacific Station North (entitled and pursuing building permits – includes supportive housing), and the Library Affordable Housing Project (entitled);
- Housing Matters property on Coral Street;
- Beach Flats Community Center;
- Homeless Services Center;
- Market Street Senior Center;
- River Street Transitional Community Camp;
- London Nelson Community Center, which includes the City-operated Senior Center and Teen Center; and
- Depot Park building, which serves as one of the extreme weather shelter sites.

D. Financial Resources

Providing an adequate supply of decent and affordable housing requires funding from various sources. The following funding sources are utilized to provide financial and other assistance related to the provision of affordable housing.

1. Affordable Housing Trust Fund (AHTF)

The City has adopted an Affordable Housing Trust Fund (AHTF) to assist the development and preservation of low- to moderate-income housing units. The types of projects eligible for AHTF assistance include the following:

- Creation of new affordable units.
- Preservation of existing affordable housing.
- Assistance with multifamily rehabilitation programs.
- Conversion of market rate units to affordable housing.
- Construction of accessory dwelling units.
- Acquisition and rehabilitation of potential limited equity cooperatives.
- First time homebuyer loans.
- Predevelopment loans/grants to assist nonprofit and for profit developers with project feasibility studies, site acquisition and design studies for potential affordable housing projects.

In addition, on June 22, 2021, the Santa Cruz City Council approved Resolutions NS-29,841 (Library & Pac South) and NS-29,842 (Pac North) authorizing the City to apply for a Local Housing Trust Fund (LHTF) Matching Grant from HCD. In that Resolution, the Metro Pacific Station North Affordable Housing Development was identified as one of the developments eligible to receive funding. As of August 2021, 100 percent affordable rental housing projects eligible to receive Housing Trust funding include:

- 119 Coral Street (New Way Homes)
- Pacific Station North (First Community Housing)
- Pacific Station South (SC Pacific Associates)
- 350 Ocean Street Apartments (For the Future Housing)
- Cedar Street Apartments (Pacific Union Housing Group)
- Jessie Street Apartments (MidPen Housing)
- 415 Natural Bridges (County Housing Authority)
- Downtown Library and Affordable Housing Project (EDEN Housing/ For the Future Housing)
- Library Affordable Housing
- 801 River
- 831 Water

2. Housing Choice Vouchers (HCV)

The Housing Choice Voucher (HCV) program is a Federal government program to assist very low-income families, the elderly, and the disabled with rent subsidy payments in privately owned rental housing units. HCV participants are able to choose any housing that meets the requirements of the program and are not limited to units located within subsidized housing projects. They typically pay 30 to 40 percent of their income for rent and utilities. The Housing Authority of the County of Santa Cruz (HA) administers and manages the HCVs within the City of Santa Cruz. The City shares information about HCVs and other resources available on the City website and at the public counter.

In addition to the HCV program, HUD also has a Project Based Voucher Program. Under the project-based voucher program, the HA enters into an assistance contract with the property owner for specified units and for a specified term. The PHA refers families from its waiting list to the project owner to fill vacancies. Because the assistance is tied to the unit, a family who moves from the project-based unit does not have any right to continued housing assistance. However, they may be eligible for a tenant-based voucher when one becomes available.

Community feedback throughout the Housing Element update indicates that HCVs are difficult to acquire and include long wait times with uncertainty of success. Additionally, while State law bans source-of-income discrimination, community members reported that there are rental ads circulating online stating property owners will not accept HCVs. As a result, the City has included actions in the [Chapter 2: Policy Plan](#) to address these issues.

3. Community Development Block Grants (CDBG)

The Community Development Block Grant (CDBG) program provides annual grants on a formula basis to cities to develop viable urban communities by providing a suitable living environment and by expanding economic opportunities, principally for low- and moderate-income.

Eligibility for participation as an entitlement community is based on population data provided by the U.S. Census Bureau and metropolitan area descriptions published by the Office of Management and Budget. HUD determines the amount of each entitlement grantee's annual funding allocation by a statutory dual formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas.

CDBG funds can be used for a wide array of activities, including:

- Housing rehabilitation;
- Lead-based paint screening and abatement;
- Acquisition of buildings and land;
- Construction or rehabilitation of public facilities and infrastructure; and
- Public services for low-income households and those with special needs.

Each year, the City of Santa Cruz receives Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). The City's Economic Development and Housing Department is responsible for administering these funds. These funds must be used to develop viable communities by promoting integrated approaches that provide items such as decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons.

The City of Santa Cruz administers its own CDBG program and provides additional application information on the City website. The City receives approximately \$586,000 in CDBG funds each year from HUD. To obtain funding, applicant projects or programs must meet eligibility requirements and demonstrate that they benefit very low- and low-income persons within the City. The funds are distributed on a competitive basis.

4. Permanent Local Housing Allocation (PLHA)

Through the State HCD, the City is eligible for \$1,588,464 in Permanent Local Housing Allocation (PLHA) funds between 2020 and 2025. The funding is intended to assist local governments in addressing their affordable housing needs. For jurisdictions like the City that receive federal CDBG funds directly from HUD, the actual annual amount allocated by HCD will be proportionally based on CDBG funding formulas. For the first year of funding (2020-2021), HCD allocated \$264,744 to the City of Santa Cruz. The remaining allocation of funds that is allowed by PLHA grant requirements is \$330,930 annually through FY 2024-2025.

The City places the PLHA funds in the AHTF to assist in developing affordable housing. As affordable housing development projects require multiple sources of funding to compile enough funding to be developed, PLHA grant funds are leveraged with several other funding sources including Federal and State Low Income Housing Tax Credit (LIHTC) financing. The City's Five-Year PLHA Plan details which activities may be funded through the PLHA.

5. HOME Investment Partnership Program (HOME)

The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for households with incomes not exceeding 80 percent of area median income. The program gives local governments the flexibility to fund a wide range of affordable housing activities through housing partnerships with private industry and non-profit organizations. HOME funds can be used for activities that promote affordable rental housing and homeownership by low-income households. The City of Santa Cruz receives approximately \$436,000 in HOME entitlement funds each year. The City provides additional application information to participate in the HOME program on the City website.

6. SB 2 Grant

To supplement the cost of the City's effort to update the streamlining process for affordable housing, the City has been awarded an SB 2 Planning Grant Program grant from HCD. The SB 2 program includes improvements to expedite local planning processes. In 2020, the City received \$310,000 from the SB 2 Grant.

Furthermore, the City has constantly pursued the Regional Early Action Planning (REAP), Local Early Action Planning (LEAP), and the Infill Infrastructure Grant (IIG) as additional funding sources to accelerate housing production. The City also pursues the Affordable Housing and Sustainable Communities Program (AHSC) to fund land-use, housing, transportation, and land preservation projects to support infill and compact development.

7. Inclusionary Housing (Measure O)

Measure O is a 1979 voter-approved initiative that requires residential developers to provide a percentage of the total number of units as affordable to moderate-, low-, or very low-income households. Developers may choose to build the units and designate them as for-sale or as rental units or propose to use an alternative method of compliance to meet the requirement, one of which is the payment of an in-lieu fee. The City's Inclusionary Ordinance codifies the requirements of Measure O. Under the Inclusionary Ordinance, Under limited circumstances, developers can

pay in lieu fees rather than providing the required inclusionary housing units. Those fees are deposited into the AHTF and help support affordable housing development in other projects.

E. Opportunities for Energy Conservation

1. Energy Use and Providers

Central Coast Community Energy (3CE), through delivery by Pacific Gas and Electric Company (PG&E), provides electricity for the City, with natural gas service provided by PG&E. Natural gas is a “fossil fuel” and is a non-renewable resource. The natural gas transmission pipelines within the City are owned and operated by PG&E. Pacific Gas and Electric Company has the capacity and resources to deliver gas except in certain situations that are noted in state law. As development occurs, PG&E will continue to extend its service to accommodate development and supply the necessary gas lines, where such service is necessary. However, the City has a prohibition on installation of natural gas in most new construction, with some minor exceptions. Electricity is provided on an as-needed basis to customers within existing structures in the City. Every year, PG&E expands and improves existing facilities according to demand.

3CE and PG&E offer programs to promote the efficient energy use and assist lower-income customers. PG&E participates in the Low-Income Home Energy Assistance Program and Energy Savings Assistance Program to help homeowners and renters conserve energy and control costs. Eligible customers receive no-cost weatherization, including attic insulation, energy efficient refrigerators, energy-efficient furnaces, weather stripping, caulking, low-flow showerheads, water heater blankets, and door and building envelope repairs which reduce air infiltration.

2. Energy Conservation

The primary uses of energy in urban areas are for transportation, lighting, water heating, and space heating and cooling. The high cost of energy demands that efforts be taken to reduce or minimize the overall level of urban energy consumption. Energy conservation is important in preserving non-renewable fuels to ensure that these resources are available for use by future generations. There are also a number of benefits associated with energy conservation including improved air quality and lower energy costs.

Energy conservation strategies can help reduce the consumption of energy, which reduces monthly costs to homeowners and renters. Examples of energy conservation strategies include weatherization (installation of insulation, more energy-efficient window, and other measures to maintain comfortable interior temperature); installation of more efficient appliances; and installation of solar energy systems. Buildings can also be designed to incorporate energy conservation strategies such as cooling materials and building orientation. The City encourages energy conservation strategies, for example, through its green building program, and has seen an increase in solar energy system installations. The City is in the process of expanding an existing building decarbonization and electrification program to improve energy efficiency in existing buildings, to remove natural gas, and to replace the natural gas with energy-efficient electric appliances such as heat pumps.