

# **2009-2010 Program Year Annual Action Plan**



**City of Santa Cruz  
Housing & Community  
Development Program  
March-April 2009**

**DRAFT**

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# Fifth Program Year Action Plan

SF 424

Date Submitted 5/15/09	Applicant Identifier	<b>Type of Submission</b>	
Date Received by state - NA	State Identifier	<b>Application</b>	<b>Pre-application</b>
Date Received by HUD 5/15	Federal Identifier	<input type="checkbox"/> Construction	<input type="checkbox"/> Construction
		X Non Construction	<input type="checkbox"/> Non Construction
<b>Applicant Information</b>			
City of Santa Cruz		CA63360 SANTA CRUZ	
337 Locust Street		DUNS #148216112	
		Housing & Community Development Division	
		Economic Development & Redevelopment Agency	
Santa Cruz	California	Housing & Community Development Division	
95060	Country U.S.A.		
<b>Employer Identification Number (EIN):</b>		Santa Cruz	
95-6000427		Program Year Start Date (7/1)	
<b>Applicant Type:</b>		<b>Specify Other Type if necessary:</b>	
Local Government: City		Specify Other Type	
<b>Program Funding</b>		<b>U.S. Department of Housing and Urban Development</b>	
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding			
<b>Community Development Block Grant</b>		14.218 Entitlement Grant	
CDBG Projects: Homeless Community Resource Center Improvements; Code Enforcement; Social Service Provider Funding		Description of Areas Affected by CDBG Project(s): City-wide	
\$CDBG Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged - \$0		\$Additional State Funds Leveraged -\$0	
\$Locally Leveraged Funds \$0		\$Grantee Funds Leveraged -\$0	
\$Anticipated Program Income - \$0		Other (Describe)	
Total Funds Leveraged for CDBG-based Project(s) \$0			

<b>Home Investment Partnerships Program</b>		14.239 HOME	
HOME Project Titles Neary Lagoon Rehabilitation Project; First Time Homebuyer Program; Frederick Street Housing		Description of Areas Affected by HOME Project(s)	
\$HOME Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds \$460,000		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe) \$1,400,000 Tax Increment Bonds; Habitat "in kind"	
Total Funds Leveraged for HOME-based Project(s) \$7424,849			
Congressional Districts of:		Is application subject to review by state Executive Order 12372 Process? NA	
City: District 17	Projects: Dist 17		
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		<input type="checkbox"/> Yes	This application was made available to the state EO 12372 process for review on DATE
		<input checked="" type="checkbox"/> No	Program is not covered by EO 12372
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A	Program has not been selected by the state for review

Person to be contacted regarding this application		
Carol	J.	Berg
Housing & Community Dev. Mgr.	(831) 420-5108	(831) 420-5101
cberg@ci.santa-cruz.ca.us	<a href="http://www.ci.santa-cruz.ca.us/pl/hcd/programs.html">http://www.ci.santa-cruz.ca.us/pl/hcd/programs.html</a>	Other Contact
Signature of Authorized Representative		Date Signed
Richard C. Wilson, City Manager		May 14, 2009

# Narrative Responses

## GENERAL

### Program Year 5 Action Plan Executive Summary

In order to qualify for Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) entitlement funding from the U.S. Department of Housing and Urban Development (HUD), the City is required to adopt a five-year Consolidated Plan. The City's current Consolidated Plan, which was approved by HUD in 2005, covers the program period from 2005-2010 (the HUD program years are equivalent to the City's fiscal years).

The Consolidated Plan contains an assessment of housing and homeless issues and identifies priority needs as well as strategies for addressing those needs. Although the focus of the Consolidated Plan is on the use of CDBG and HOME funds, it also describes how the City will use other resources, such as the General Fund, Affordable Housing Trust Fund, and Redevelopment Agency funds, in addressing these priority needs.

The City's annual allocation of federal grant funds under the CDBG and HOME programs is incorporated in the City's annual budget and becomes the basis for the Annual Action Plan.

HUD requires that the activities funded under the Annual Action Plan must support objectives in the Consolidated Plan. Twenty-three program objectives in four "priority need" categories are included in the 2005-2010 Consolidated Plan. The "priority need" categories specified by HUD include:

1. Affordable housing;
2. Non-housing community development;
3. Homeless households; and
4. Special needs population.

In addition to the City's objectives identified under each "priority need" category, HUD has established national objectives for use of CDBG and HOME funding. By law, the City's use of these funds is restricted to activities that achieve at least one of these national objectives. For the different funding sources, these objectives are:

CDBG funds must:

- Benefit low- and moderate-income persons;
- Aid in the prevention of slum or blight; or
- Meet a particularly urgent community development need.

HOME funds must:

- Benefit low- and very-low income persons with affordable housing.
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## **EVALUATION OF PRIOR YEAR'S ACCOMPLISHMENTS**

Over the 2009-2010 Program Year, the City continued to provide about \$1.8 million in funding for 55 social service programs in 40 agencies. Five of those programs are funded with CDBG funds. Code enforcement, also partially funded with CDBG funds closed over 200 cases and helped sponsor four neighborhood clean-ups. An update of the Analysis of Impediments to Fair Housing was completed in June 2008 and approved by the City Council in July 2008. The City's Citizen's Participation Plan was also updated in July 2008.

CDBG funded the Homeless Community Resource Center's Hygiene Center and a 46 bed year round shelter, which were completed in the 2008-2009 Program Year. Construction of Redwood Commons, a 36 unit accessible rental housing project where 13 units are affordable to extremely low and very low income tenants, was also completed. Although no HOME or CDBG funds were used for Redwood Commons, CDBG/HOME Program staff worked closely with the developer in order to secure funding from the City of Santa Cruz Affordable Housing Trust Fund.

The Beach/South of Laurel NRSA is completing its second year. In its first year, several activities commenced, including a Teen Jobs Fair hosted by the Parks and Recreation Department at the Teen's Center off of lower Pacific and a Community Emergency Response Training hosted by the Fire and Police Departments in Beach Flats. Although it was expected that these would become annual events, due to the current economic downturn these events were not held this Plan Year. However, computer training and literacy classes as well as other on-going programs continue to serve the NRSA through the Beach Flats Community and Familia Centers. In addition, the Boy's and Girl's Club of Santa Cruz County initiated a Beach Flats Outreach Program, which includes a collaborative homework assistance and mentor program. Special events in the Beach Flats neighborhood included two community clean-ups and the annual Thanksgiving dinner. In addition, the City hosted a Community Meeting on the Annual Action Plan.

## **ALLOCATION OF CDBG & HOME FUNDS**

The Annual Action Plan reflects the allocation of CDBG and HOME funds for this 2009 - 2010 program year. This is the fifth and final Action Plan under the 2005-2010 Consolidated Plan.

There are three sources of funds to be allocated in this Action Plan. Calculations showing how various funds are allocated are included in Attachment A: Sheet 1, "Financial Resources". The three sources of Funds include:

1. 2009 - 2010 Program Year New Entitlement Funds allocated by HUD.
2. Funds available for reallocation, leftover from prior years' funding for completed projects.
3. On-going Program funds accumulated for specific activities that require long term planning.

In addition to the housing programs that are administered by city staff in the Housing and Community Development Section of the Economic Development and Redevelopment Agency, funding is used for other City programs and non-profit organizations that provide community services and/or are doing projects that benefit the community. The following is a summary of the use of these funds.

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## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

**1. Community Services:** Use of CDBG funds for community services is typically limited to 15% of the total CDBG allocation and program income for the program year. However, because the City has established a Neighborhood Revitalization Strategy Area, this limit is lifted for qualified social service providers that serve this area. For the 2009 - 2010 program year, \$91,605 has been allocated to social service providers. This amount is about \$1,635 more than would have been allowed under the 15% limit. **Note: At the time that this draft Action Plan was completed, the City of Santa Cruz had not yet been given final grant amounts from HUD. Therefore, it is expected that these amounts will change based on the direction provided by the SSP Committee and described at the Public Hearing on February 10, 2009.**

**2. Community Programs/Projects:** For the 2009-2010 program year, \$385,000 is allocated for special programs or projects. A summary is provided below:

- **Homeless Community Resource Center Improvement Project:** This project was originally approved in 2004 as the Homeless Community Resources Center (HCRC) Hygiene Center Project and in 2006 was expanded to include a new 46 bed shelter. At that time, total costs for the project exceeded available funding so in January 2007 HUD allowed the City to pre-incurr costs for the project. The allocation in the 2009-2010 is part of the repayment of a City loan for the project.

**PRIORITY NEED:** Non-Housing Community Development

**HUD Objective:** Suitable Living Environment

**HUD Outcome:** Availability/Access

**2009 CDBG FUNDING:** \$200,000

- **Code Enforcement:** The City's Code Enforcement Program in expanded Target Areas is partially funded from CDBG with \$185,000 allocated to this Program.

**PRIORITY NEED:** Affordable housing

**HUD Objective:** Housing

**HUD Outcome:** Sustainability

**2009 CDBG FUNDING:** \$185,000

The activities proposed above are eligible for CDBG funding and support objectives identified in the 2005-2010 Consolidated Plan.

## HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME):

HOME funds must be used for affordable housing projects and program administration (10% of total HOME fund allocation). For the 2009-2010 Annual Action Plan, there are two applications in addition to funding for the First Time Homebuyers Program. Habitat for Humanity has applied assistance to purchase an inclusionary housing parcel in order to make the future home available to very low income households. Central Coast Housing with Mercy Housing California is applying assistance to rehabilitate 95 units in Neary Lagoon.

HUD requires that fifteen percent of HOME funds are spent on Community Housing Development Organization (CHDO) projects. A CHDO is a private non-profit

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organization that meets a series of qualifications prescribed in the HOME regulations and is designated as a CHDO by the City. Central Coast Housing is applying for CHDO status for the Neary Lagoon project.

HOME funds also have a 25% matching requirement which encouraging leveraging of funds. Currently the City has over \$1 million in credits from past projects. (See ATTACHMENT E.) HOME match figures are reported as a part of the Consolidated Annual Performance and Evaluation Report.

In the 2009-2010 Annual Action Plan, the following projects have been allocated HOME funds:

- **Frederick Street Ownership Housing Unit:** Habitat for Humanity will build a homes for a very-low income homebuyer, who will be contributing 500 hours of sweat equity as a part of the purchase agreement.

**PRIORITY NEED:** Affordable housing

**HUD Objective:** Housing

**HUD Outcome:** Affordability

**2009 HOME FUNDING:** \$50,000

- **Neary Lagoon Rehabilitation Project:** Central Coast Housing with Mercy Housing California will rehabilitate 95 affordable units in Neary Lagoon. The Neary Lagoon project is transitioning from cooperative condominiums to affordable rental housing.

**PRIORITY NEED:** Affordable housing

**HUD Objective:** Housing

**HUD Outcome:** Affordability

**2009 HOME FUNDING:** \$600,000

- **First Time Homebuyer Program:** This Program provides silent second mortgages to qualified low income first time homebuyers.

**PRIORITY NEED:** Affordable housing

**HUD Objective:** Housing

**HUD Outcome:** Affordability

**2009 HOME FUNDING:** \$210,000

- **Home Housing Services Program:** This Program provides funding for housing programs, such as the Unified Housing Rehabilitation Program.

**PRIORITY NEED:** Affordable housing

**HUD Objective:** Housing

**HUD Outcome:** Affordability

**2009 HOME FUNDING:** \$2,751

**Note:** At the time that this draft Action Plan was completed, the City of Santa Cruz had not yet been given final grant amounts from HUD. Therefore, it is expected that the amount in this category will change based on the direction provided by the SSP Committee and described at the Public Hearing on February 10, 2009.

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## **ATTACHMENTS**

Additional budget information is provided as **ATTACHMENT A**. Maps of the Target Areas and location of projects are provided as **ATTACHMENT B**. Project worksheets are included in **ATTACHMENT C** and performance measurement information is provided in **ATTACHMENT D**. HOME grant matching information is outlined in **ATTACHMENT E**.

## **Program Year 5 Action Plan General Questions**

### **GEOGRAPHICAL AREAS WHERE ASSISTANCE WILL BE DIRECTED**

Under the 2005-2010 Consolidated Plan, a new Target Area was established that includes all low income areas within the City excluding Census Tract 1004, which is occupied by the University of California at Santa Cruz. (See Consolidated Plan Target Area Map.) The Target Area is divided into four Sub-Target Areas. The expanded Target Area continues to involve the Beach and South of Laurel Area (southern portion of Sub-Area 1) plus the downtown (northern portion of Sub-Area 1), eastern Seabright (Sub-Area 2), an area along Market Street south of Highway 1 (Sub-Area 3), and a portion of the Circles neighborhood (Sub-Area 4).

In the 2007 Plan Year, a Neighborhood Revitalization Strategy Area (NRSA) was established for the Beach/South of Laurel neighborhoods in Sub-Target Area 1. This area continues to have the lowest household incomes and a concentration of a minority (Hispanic) population.

Under the 2009-2010 Action Plan, Code enforcement activities will occur in all Target Areas. However, as part of the Beach/South of Laurel NRSA, a pro-active code enforcement program is being implemented in the NRSA.

Familia Center and the Beach Flats Community Center are community services that are located in the NRSA and serve Sub-Target Area 1. The Homeless Resources Center and the Riverstreet Shelter are located just north of Sub-Target Area 1 but provide homeless services for the entire City. First Time Homebuyer and Rehabilitation Programs as well as the Shared Senior Housing Program provided by the Senior Network are available city-wide as well.

About 45% of Social Service funding is dedicated to services located in the NRSA and about 50% to homeless services that, although not located in a Target Area, serve its residents. (See Project and Service Location Map in ATTACHMENT B.)

### **BASIS FOR ALLOCATING INVESTMENTS GEOGRAPHICALLY**

The Consolidated Plan identified five priority criteria and nine considerations to be used when evaluating projects or programs. Criteria includes:

- (1) Assistance to extremely low, very low and low-income households.
  - (2) Preservation, development or rehabilitation of housing units affordable to households listed above.
  - (3) Assistance for/support of projects that address goals of the Homeless Action Partnership.
  - (4) Within items #1 and #2 above, assistance to households with special needs such as the elderly, disabled, or single parents.
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- (5) Support to projects that advance the economic strength of the community and its ability to provide services and jobs for households listed above.

Additional considerations used when evaluating projects or programs include:

- (1) Project readiness;
- (2) Capacity and experience of project sponsor;
- (3) Capacity and experience of project development and/or operation teams;
- (4) Number of individuals or households that benefit from the project relative to funding requirements;
- (5) Potential for project to leverage funds from other sources;
- (6) Location in or adjacent to a Target Area;
- (7) Ability of the project to further other goals identified in other City plans, such as the Housing Element or the Analysis of Impediments to Fair Housing Choice; and
- (8) Recent factors identified by the community that makes a project or program a community priority.

Projects or programs located in or adjacent to the Target Area are given more consideration even when the service is provided city-wide since the service, program or project is likely to be more easily accessible to low income households. Also, the potential infusion of money into an area or building improvements is an added benefit.

## **ACTIONS TO ADDRESS OBSTACLES TO MEETING UNDERSERVED NEEDS**

The three primary obstacles to meeting underserved needs, identified in the Consolidated Plan include:

- (1) The decreasing amount of funds available for projects and programs;
- (2) The prohibitively high cost of housing in Santa Cruz; and
- (3) The limited amount of space available, or developable areas remaining, for new programs or facilities.

The 2009-2010 Action Plan proposes to address these obstacles in the following ways:

- **AVAILABILITY OF FUNDS:** The availability of funds is largely outside the control of the City. However, to maximize the amount of funds the City has available for programs, the City will: (1) continue to pursue grant funds from many sources; (2) encourage projects or programs that leverage funds; and (3) ensure that projects and programs are run as effectively and as efficiently as possible.
  - **COST OF HOUSING:** The high cost of housing in the City of Santa Cruz permeates everything. Over 50% of households in Santa Cruz spend over 50% of household income on housing. With less money for other household needs, this typically translates into a higher need for help. To address this, the City has placed a top priority on the development of more affordable housing. The City has established an Affordable Housing Trust Fund that is dedicated to the provision of affordable housing. The City also rigorously applies its inclusionary housing ordinance, which requires that 15% of any development with 2 or more units contributes toward establishing affordable housing.
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- **LIMITED SPACE/SITES FOR PROJECTS:** Given the scarcity of vacant land in Santa Cruz, the City supports the development of mixed use projects containing residential and commercial uses in the same building or on the same site. Density bonuses are also used to add affordable housing to projects. In addition, the City's proactive accessory dwelling unit program is promoting a more efficient use of space by using existing back yards or garages for rental housing.

## Program Year 5 Action Plan Managing the Process

### LEAD AGENCY RESPONSIBLE FOR ADMINISTERING PROGRAMS

The City's Housing and Community Development Division (HCD) under the Economic Development and Redevelopment Agency serves as the lead agency overseeing the development of the City of Santa Cruz Consolidated Plan and also manages City grants to the public and private agencies that have programs or projects covered by the Consolidated Plan.

### PROCESS BY WHICH THIS ANNUAL ACTION PLAN WAS DEVELOPED

1. **PLANNING:** The Annual Action Plan is informed by the analysis and recommendations based on prior planning activities or planning studies, including:
  - **Housing Element:** In addition to continuation of housing programs such as the First Time Homebuyer Program and the Housing Rehabilitation Program, overall guidance for housing projects and programs is provided by recommendations identified in City's Housing Element. These recommendations were developed through an extensive public participation effort that involved a 16 member Technical Advisory Committee as well as a number of public hearings.
  - **Homeless Action Partnership:** In recognition of the regional character of homelessness, homeless analysis and planning is done in coordination with other jurisdictions and service providers as part of the on-going Continuum of Care Working Group (called Homeless Action Partnership). The 10 Year Plan to End Homelessness was completed in 2005 and is actively being implemented.
  - **Community Needs:** Planning for community needs (social services and community facilities) continues to be done under the City Council Social Services Program (SSP) Committee in coordination with social service providers in the City. The SSP Committee consists of three City Council members and meets about 3-5 times annually. All meetings are open to the public and service providers. Approximately forty social service providers are specifically invited to attend.

- 2. SUB-RECIPIENT APPLICATION PROCESS:** Formal applications for proposals requesting CDBG or HOME funds are solicited in the fourth quarter of each calendar year through a Notice of Funds Available (NOFA) with a submittal deadline of January of the next calendar year. Housing and Community Development Division (HCD) staff work closely with applicants to ensure projects are consistent with the Consolidated Plan and in compliance with HUD regulations.

Applications are presented to the SSP in February. The SSP reviews the proposals and makes a recommendation to the full City Council.

In addition to this formal process, HCD staff works closely with non-profit organizations throughout the year in planning for facility improvement projects and other housing developers to encourage the development of affordable housing. HCD staff also works with other City departments and the City's Redevelopment Agency (Economic Development & Redevelopment Agency).

- 3. SSP RECOMMENDATIONS:** At the SSP meeting in February, staff and non-profit organizations present applications for funding. The SSP then makes recommendations for funding to the full City Council and the community at a public hearing. At the February 25, 2009 SSP meeting, five non-profit service providers attended.
- 4. PUBLIC HEARINGS:** Two noticed public hearings are held to obtain community input and proposals. Following the first hearing, a draft plan is completed and thirty day review period occurs. Comments from the public hearings and circulation of the documents are incorporated into the final Action Plan. Spanish translation is available at all public hearings to provide better access to minority populations. In March 2009 during the comment period, the City also held a bi-lingual community meeting in the Beach Flats Community Center.
- 5. OTHER OUTREACH:** In addition to the activities indicated above, City HCD staff met individually with organizations providing service in the City or with an interest in developing a project or program. Over the last year this included:
- The Housing Authority of Santa Cruz County,
  - Mercy Housing California,
  - Mid-Peninsula Housing,
  - City of Santa Cruz Department of Parks and Recreation;
  - The Community Counseling Center of Santa Cruz County,
  - Familia Center,
  - Beach Flats Community Center,
  - The Homeless Services Center,
  - Senior Network Services,
  - The County Human Resource Agency and Health Services Agency, and
  - Other Social Service Providers.

Additional outreach to minority populations is conducted through programs at the Beach Flats Community Center. (Note Beach Flats has the highest concentration of minority populations in the City of Santa Cruz.)

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## ENHANCING COORDINATION BETWEEN PUBLIC AND PRIVATE AGENCIES

The City of Santa Cruz is a small community which enables close coordination between various agencies and the community. Over the 2009-2010 Plan Year, four key efforts will be in effect.

**City Council Social Service Provider (SSP) Committee:** The SSP serves as a means to coordinate social services in the City of Santa Cruz. Meetings are held 4-5 times per year.

**The Neighborhood Services Team (NST):** The NST is a forum that helps identify community needs and establish priorities. The main purpose of the NST is to provide better coordination between City agencies and better communication and coordination with the community through the Santa Cruz Neighbors (SCN), which is the umbrella organization representing neighborhood associations throughout the City. CDBG/HOME staff organize and lead the the NST.

**Homeless Action Partnership:** As a part of the Continuum of Care, the City actively works with the County, other cities, non-profit service providers, and the homeless community to ensure optimum coordination. Working group meetings occur about 10 times a year with quarterly executive committee meetings. City staff also participates in the Housing Sub-Committee. In addition, the City participates in the semi-annual homeless count.

## Citizen Participation

### SUMMARY OF CITIZEN PARTICIPATION PROCESS

In accordance with federal regulations 24 CFR Parts 91, et al., the purpose of a Citizen Participation Plan is to define a jurisdiction's policies and procedures to provide for and encourage participation in the development of the Consolidated Plan, any substantial amendments to the Consolidated Plan, and the performance report. Procedures outlined in the proposed plan include:

- Process for developing the Consolidated and Annual Action Plans, identifying opportunities for organization and citizen input in the plan development;
- Schedule of and noticing requirements for public hearings for development and approval of the Consolidated and Annual Action Plans and amendments of these plans;
- Means of accommodating physical disabilities or language needs at public hearings;
- Means by which citizens can view and comment on funding proposals, plans, and the year end performance report;
- Definition of a substantial amendment, which triggers a plan amendment including a public hearing and 30 day noticing requirement; and
- Provisions for Interim Assistance Activities.

In 2008, the City updated its Citizen Participation Plan adding provisions for approval of changes that are not considered substantial amendments and Interim Assistance Activities.

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Although a more extensive description of the Citizen Participation process is provided in the Citizen Participation Plan and the Consolidated Plan, the following are key steps followed by the City for approval and adoption of the Annual Action Plan:

- (1) SUBMISSION OF GRANT PROPOSALS:** Proposals are solicited in the fourth quarter of each calendar year through a Notice of Funds Available (NOFA) with a submittal deadline of January of the next calendar year.
- (2) REVIEW OF PROPOSALS:** Housing and Community Development Division (HCD) staff review proposal submittals for completeness, consistency with the Consolidated Plan, and compliance with HUD regulations and prepare a summary analysis for the City Council's Social Services Program (SSP) Committee.
- (3) SSP MEETING WITH NON-PROFIT ORGANIZATIONS:** Members of the public and non-profit organizations are invited to attend all SSP meetings. With input from individuals or organizations, SSP reviews the proposals and makes a recommendation to the full City Council.
- (4) PUBLIC HEARINGS:** At least two noticed public hearings are held to obtain community input and proposals. Following the first hearing, a draft plan is completed and thirty day review period occurs. Comments from the public hearing and circulation of the documents are incorporated into the final Action Plan.

The following are specific dates of these actions:

**PUBLIC NOTIFICATIONS**

- November 12, 2008 (Mail/email notification of process/NOFA in Newspaper)
- February 5, 2009 (Newspaper- notice public hearings)
- March 26, 2009 (Email notification - Summary of plan and notice of availability)
- March 26, 2009 (Newspaper- Summary of plan and notice of availability)
- April 29, 2009 (Newspaper – Notice of adoption & submission to HUD)

**PUBLIC HEARINGS & COMMUNITY MEETINGS**

- March 10, 2009 – City Council Public Hearing
- March 12, 2009 – Community Meeting at Beach Flats Community Center
- April 28, 2009 – City Council Public Hearing

**COMMENT PERIODS**

- March 27-April 28, 2009 – 30 day comment period for draft Action Plan
- April 30 – May 14, 2009 – 15 day comment period for final Plan

**SUMMARY OF CITIZEN COMMENTS**

There were no speakers at the public hearings.

To broaden public participation, an additional Community Meeting was held at the Beach Flats Community Center. Also at the public hearings Spanish translation was available. The notification about the public hearing and community meeting was published in the local newspaper.

No comments were not accepted. All comments and questions were responded to.

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## Institutional Structure

During the 2009-10 Plan Year, staff will continue to implement improvements to program administration. The Focus of improvements include:

- Continue to improve when possible systems for monitoring, outreach, and other maintaining coordination between the Finance and Economic Development Departments.
- Attend additional HUD trainings as appropriate to increase knowledge & skills.

Staff has created a Performance Measurement Chart, included here as ATTACHMENT D, as a self monitoring tool to assist in ensuring goals and objectives are met. The IDIS Administrator also monitors expenditures to ensure both CDBG and HOME Program compliance, including timeliness requirements.

## Monitoring

**SOCIAL SERVICE PROVIDERS:** Each sub-recipient submits an annual report detailing services that were provided and client statistics. These reports are reviewed to ensure compliance. Staff conducts on-site monitoring on an as needed basis.

**DEED RESTRICTED AFFORDABLE HOUSING:** The responsibility for monitoring depends on the funding source, City regulations, and written regulatory agreements between the City and the property owner or developer.

- (1) For HOME assisted rental unit projects, the City maintains an annual monitoring schedule in compliance with HUD requirements, which includes a review of tenant files for required income documentation and an inspection of the units to ensure compliance with housing quality standards.
- (2) For First Time Homebuyers, annual monitoring is conducted to confirm compliance with the owner-occupancy requirement; and
- (3) For other City funded programs (Inclusionary Housing, ADUs, & Fee Waiver Programs), the Housing Authority contracts with the City to qualify the tenants or buyers. City staff conducts annual monitoring to ensure compliance with rent and occupancy restrictions.

Annual notification is sent to owners of rental properties to ensure new tenants are and prior tenants remain qualified. Under the guidance of the City Attorney's Office, violations are dealt with on a case-by-case basis.

**NON-HOUSING PROJECTS OR PROGRAMS:** Contracts are monitored by HCD staff to ensure continued compliance with HUD regulations. Prior to submittal to HUD, all project bills are reviewed by staff for compliance and approved. Once the project is finished, on going monitoring is conducted for the length of the contract.

**TIMELINESS OF EXPENDITURES:** HCD staff track funding timelines to ensure that HUD limits concerning contractual obligations and expenditure of funds are met.

(NOTE: See the Consolidated Plan for an extensive description of these processes.)

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## Lead-based Paint

The City will continue to take the following actions to evaluate and reduce the number of housing units containing lead-based paint hazards.

1. Work with the Santa Cruz County Childhood Lead Prevention Program in addressing lead paint hazard identification and mitigation efforts; and
2. Implement the lead-based paint regulations of 24 CFR Part 92 in all federally assisted City housing programs such as the Unified Housing Rehabilitation Program and the First Time Homebuyers Program. (The City requires all housing projects or programs receiving federal funds to comply with 24 CFR Part 92.)

## HOUSING

### Program Year 4 Action Plan Specific Housing Objectives

\*Please also refer to the Housing Needs Table in the Consolidated Plan Needs.xls workbook.

#### HOUSING PRIORITIES & OBJECTIVES FOR 2009-2010

The following are 2005-2010 Consolidated Plan Housing Priorities with specific objectives outlined for the 2009-2010 Plan Year. Reference to HUD outcome performance measurement system, is included in this summary with a HUD objective and outcome identified for each of the 2009-2010 objectives. To better understand the references, which include three possible HUD Objectives and three possible HUD Outcomes, the nine combined (outcome + objective) statements that these three outcomes and objectives form help to provide the context in which they will be used for evaluating programs. These nine outcome statements include:

- New or Improved accessibility for the purpose of creating suitable living environments.
- New or Improved accessibility for the purpose of providing decent affordable housing.
- New or Improved accessibility for the purpose of creating economic opportunities.
  
- Affordability for the purpose of creating suitable living environments.
- Affordability for the purpose of providing decent affordable housing.
- Affordability for the purpose of creating economic opportunities.
  
- Sustainability for the purpose of creating suitable living environments.
- Sustainability for the purpose of providing decent affordable housing.
- Sustainability for the purpose of creating economic opportunities.

At the end of the Program Year, the City will report on outcome measurements in relation to the categories identified above, which will be combined with other outcome measurements throughout the country.

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Consolidated Plan priorities, objectives, and Plan Year (action) objectives are listed below.

### **PRIORITY AH.1 -- Preservation Of At Risk Housing**

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**Consolidated Plan Objective AH.1 (a):** Continue to work with Riverfront Apartment Associates to preserve 71 units of affordable housing, providing support for HUD Section 8 contract renewal.

- **2009-2010 Action Objective:** In 2008, the HUD project based Section 8 contract with Riverfront Associates was renewed following execution of a negotiated agreement between Riverfront and the City. In exchange for renewal of the contract, the City has agreed to provide assistance with handicapped improvements and address other issues over the five year contract period, including the 2009-2010 plan year.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective AH.1 (b):** Track all other "at risk" housing units with affordability restrictions and work with Housing Authority, non-profit organizations, and/or owners to preserve affordability of units when feasible.

- **2009-2010 Action Objective:** Assist in the acquisition and rehabilitation of the 95 unit Mission Gardens Apartments, to preserve affordability and ensure renewal of the project based Section 8 contract, which expires in 2011. HUD has indicated that it intends to offer the project a 20 year extension of the contract.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

### **PRIORITY AH.2 - Homeownership Program**

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(Note: Based upon prior activities, for homeownership it is expected that between 30% to 50% of those assisted will be minorities.)

**Consolidated Plan Objective AH.2 (a):** Assist 4 low and moderate-income households.

- **2009-2010 Action Objective:** Within the Plan Year, assist 2-4 low and moderate-income households.
- **HUD Objective:** Housing
- **HUD Outcome:** Affordability

**Consolidated Plan Objective AH.2 (b):** Contact at least 2 developers to explore private/public partnerships to encourage development of more affordable for-sale units.

- **2009-2010 Action Objective:** In the 2007-2008 Plan Year, the City negotiated a private/public partnership to create 13 units of housing affordable to very and extremely low income households. The project, Redwood Commons, was completed in the 2008-2009 Plan Year. For the 2009-2010 PY, the City will continue to seek developers for potential partnerships.
  - **HUD Objective:** Housing
  - **HUD Outcome:** Availability/Access
-

**Consolidated Plan Objective AH.2(c):** By 2007, develop and implement an outreach program to actively promote the First Time Homebuyer Program in the Target Areas.

- **2009-2010 Action Objective:** Outreach was implemented in 2005 and 2006. Follow-up will continue but no additional promotional mailouts are planned.
- **HUD Objective:** Housing
- **HUD Outcome:** Affordability

**Consolidated Plan Objective AH.2 (d):** Apply for at least \$200,000 in grant funds from other funding sources for first time homebuyers.

- **2009-2010 Action Objective:** In 2005, the City submitted an application, which was not funded, for \$500,000 from the CalHOME program for homeownership and rehabilitation programs. Applications for other state grants will be submitted when possible.
- **HUD Objective:** Housing
- **HUD Outcome:** Affordability

### **PRIORITY AH.3 - Housing Rehabilitation Program**

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**Consolidated Plan Objective AH.3 (a):** Assist in rehabilitation of 5-10 units annually with occupancy of those units restricted to extremely low, very low and low-income households.

- **2009-2010 Action Objective:** Implement the Mission Gardens Apartments Acquisition and Rehabilitation Project for 50 households and initiate a rehabilitation project for Neary Lagoon for 95 households during this Plan Year.
- **HUD Objective:** Housing
- **HUD Outcome:** Affordability

**Consolidated Plan Objective AH.3 (b):** Apply for an additional \$200,000 in housing rehabilitation grant funds from the California CalHOME program.

- **2009-2010 Action Objective:** As noted above, in 2005 the City applied unsuccessfully for \$500,000 from the CalHOME program. Applications for other state grants will be submitted when possible.
- **HUD Objective:** Housing
- **HUD Outcome:** Affordability

### **PRIORITY AH.4 - Create New Affordable Rental Units**

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**Consolidated Plan Objective AH.4 (a):** Initiate design development of 15 units for the adults with psychiatric disabilities (Grace Commons) with the CHDO, Corporation for Affordable Community Housing (CACH). (Also Special Needs Objective.)

- **2009-2010 Action Objective:** Objective was met with completion of Grace Commons in 2007.
- **HUD Objective:** Housing
- **HUD Outcome:** Affordability

**Consolidated Plan Objective AH.4 (b):** Initiate construction of 2 apartments for very-low income households at the Walnut Avenue Woman's Center.

- **2009-2010 Action Objective:** The application for this project has been withdrawn. No activity is anticipated in this Plan Year.
-

- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective AH.4 (c):** Contact non-profit developers and begin to identify at least one opportunity to build new affordable rental housing or acquire and renovate existing market rate housing, providing affordable housing for very low and low income households.

- **2009-2010 Action Objective:** Continue to work with non-profit housing developers to identify potential affordable housing projects.
- **HUD Objective:** Housing
- **HUD Outcome:** Affordability

**Consolidated Plan Objective AH.4 (d):** Work with for-profit developers or rental property owners to identify opportunities to transform new or existing units within market rate rental projects into affordable units.

- **2009-2010 Action Objective:** Continue to work with developers to identify new opportunities.
- **HUD Objective:** Housing
- **HUD Outcome:** Affordability

**Consolidated Plan Objective AH.4 (e):** Through regulations and City Programs, encourage applications to be submitted for building permits for 30-50 accessory dwelling units and target at least 3 units to have affordable restrictions for low income households.

- **2009-2010 Action Objective:** Continue to promote ADU and fee waiver programs to meet goal of 30-50 ADU building permits and 1-3 fee waiver agreements.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

#### **PRIORITY AH.5 - Create New Affordable Live Work Units**

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**Consolidated Plan Objective AH.5 (a):** Assist Redevelopment Agency, as needed, in development of 60-100 live work units with occupancy of those units restricted to very low and low-income households. Project to be coordinated with development of a performing arts center.

- **2009-2010 Action Objective:** Objective was accomplished with the construction of the Tannery Artists Housing, which was completed in 2008.
- **HUD Objective:** Housing
- **HUD Outcome:** Affordability

#### **PRIORITY AH.6 - Code Enforcement Program**

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**Consolidated Plan Objective AH.6 (a):** Support two code enforcement officers to administer code enforcement activities in the Target Areas.

- **2009-2010 Action Objective:** Continue targeted code enforcement program.
  - **HUD Objective:** Housing
  - **HUD Outcome:** Sustainability
-

**Consolidated Plan Objective AH.6 (b):** Participate in at least two annual community clean-ups and other community events, when appropriate, to help inform the community about code enforcement.

- **2009-2010 Action Objective:** Participate in two clean-ups & provide community information as needed.
- **HUD Objective:** Housing
- **HUD Outcome:** Sustainability

**Consolidated Plan Objective AH.6 (c):** Help identify major problem properties and participate with other City departments in a coordinated effort to eradicate major problem areas through the Beat Health Program.

- **2009-2010 Action Objective:** Continue to participate inter-departmental efforts. The Beat Health Program is no longer active.
- **HUD Objective:** Housing
- **HUD Outcome:** Sustainability

**Consolidated Plan Objective AH.6 (d):** Provide funding for relocation assistance as needed in connection with code enforcement activities.

- **2009-2010 Action Objective:** Funding is available.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

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#### **PRIORITY AH.7 - CHDO Capacity Building**

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**Consolidated Plan Objective AH.7 (a):** Continue to develop the capacity of Corporation for Affordable Community Housing, (CHDO established in 2005), supporting the development of the Grace Commons Project.

- **2009-2010 Action Objective:** No capacity building grant is included in the Plan Year. Project is completed.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective AH.7 (b):** Encourage and foster the development of other potential CHDOs in the Santa Cruz Area when appropriate.

- **2009-2010 Action Objective:** Work with Central Coast Housing and Mercy Housing California to establish Central Coast Housing as a CHDO.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

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#### **PRIORITY AH.8 - Implement & Update Required Plans for Analysis of Impediments to Fair Housing**

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**Consolidated Plan Objective AH.8 (a):** Initiate meetings with service providers to begin to develop a strategy to improve coordination between providers and the City.

- **2009-2010 Action Objective:** Individual meetings with service providers held in prior Plan Years.
  - **HUD Objective:** Housing
  - **HUD Outcome:** Availability/Access
-

**Consolidated Plan Objective AH.8 (b):** Continue to implement recommendations of the City's most current Analysis of Impediments to Fair Housing Choice and Housing Element.

- **2009-2010 Action Objective:** Continue implementation.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective AH.8 (c):** By the end of 2008, complete updates of the City's Analysis of Impediments to Fair Housing Choice and Housing Element.

- **2009-2010 Action Objective:** AI update was completed July 2008. Implementation to continue in the 2009-2010 Plan Year.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

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### **Priority AH.9 - Preserve/ Increase Inventory Of Affordable Units**

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**Consolidated Plan Objective AH.9 (a):** Continue to responsibly manage the City's existing inventory of affordable housing units and affordable housing programs with the goal to preserve existing affordable units and increase, where possible, the total number of affordable units.

- **2009-2010 Action Objective:** Limit loss of affordable units during the Plan Year.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective AH.9 (b):** Continue to meet with representatives of the University of California Santa Cruz to explore the potential for joint housing activities .

- **2009-2010 Action Objective:** University/City meetings had been put on hold pending litigation between the University and City, which was settled in the 2008-2009 Plan Year. Work to re-establish meetings to explore the potential for joint housing activities in the 2009-2010 Plan Year.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective AH.9 (c):** Continue to pursue housing opportunities along Front and Cedar Streets for potential development of up to 820 future housing units as proposed in the Front & Cedar Street Study.

- **2009-2010 Action Objective:** Work on potential housing connected to a future parking structure on Cedar has been put on hold. In the 2009-2010 Plan Year, identify ways to encourage housing development along Front Street as recommended in the River/Front and Lower Pacific Design Guidelines and Development Incentives Study to be completed in July 2009.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

### **USE OF FEDERAL, STATE, AND LOCAL PUBLIC/PRIVATE RESOURCES**

Over the next Plan Year, the City intends to pursue state and other local funds to increase the amount of affordable housing in the City of Santa Cruz. This is a high

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priority need identified by the General Plan Housing Element and the Consolidated Plan. The following summarizes these resources:

**FEDERAL RESOURCES:** HUD HOME and CDBG funds will continue to be used to fill funding gaps for affordable housing projects as needed and to help leverage other funds when possible.

**LOW INCOME HOUSING TAX CREDITS:** LIHTC have recently been, and will continue to be, one of the most important sources of funding for affordable housing projects in Santa Cruz. Neuva Vista, 1010 Pacific, Shaffer Road, Gault Street Senior Housing, and the Tannery Artists Housing were all LIHTC projects. LIHTC funding will be used for the Mission Gardens Apartment Acquisition and Rehabilitation Project under the 2008-2009 Action Plan and the Neary Lagoon Rehabilitation Project under the 2009-2010 Action Plan.

**REDEVELOPMENT HOUSING SET ASIDE:** The City of Santa Cruz Economic Development and Redevelopment Agency will continue to set aside 20% of its redevelopment tax increment to be dedicated to the creation of affordable housing.

**HUD SECTION 8 PROGRAM:** The Housing Authority manages the HUD Section 8 Voucher program which is a vital asset for affordable housing in City of Santa Cruz. To facilitate acceptance of Section 8 Vouchers by landlords, the City makes its inclusionary units available for participants. The City also works to retain existing project based Section 8 units.

**STATE PROPOSITION 1C FUNDS:** California voters recently passed Proposition 1-C, which provides additional funding for affordable housing projects. The City will continue to look for opportunities to access these funds for affordable housing projects and programs in the City of Santa Cruz.

**LOCAL HOUSING TRUST FUND:** In 2007, the City of Santa Cruz restructured the Inclusionary Housing Ordinance to apply inclusionary requirements to all housing projects with 2 or more units. It was expected that the City of Santa Cruz Affordable Housing Trust Fund (AHTF) would begin to receive a significant increase in housing in-lieu fees which will be dedicated to affordable housing development or preservation per AHTF guidelines in 2008. However, due to a slow down in the housing market, this has not occurred. Zoning remains in place and is expected to generate funding for affordable housing when the housing market improves.

**PUBLICLY OWNED LAND:** Parking needs and requirements contribute significantly to the cost of affordable housing. As a result of a 2008 Housing Strategies Study, the City is exploring the use of publicly owned parking lots to help support affordable housing development.

**LEVERAGING:** With these resources, the City is able to significantly leverage federal HOME and CDBG funds in each project. HOME funds for the Grace Commons project were leveraged about 5.5 times. Whereas the current Mission Gardens Apartment Complex is leveraging HOME funds about 6.5 times and Neary Lagoon will leverage HOME funds about 3.3 times. CDBG funds for social service providers are leveraged over 10 times.

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## **Needs of Public Housing**

The Housing Authority of Santa Cruz County oversees Public Housing in the County, which includes units in the City of Santa Cruz. The Housing Authority does not anticipate nor does it have a strategy for developing any additional Public Housing projects within the timeframe of the 2005-2010 Consolidated Plan. The focus of the Housing Authority will be to continue to maintain its existing housing and to assist the City in preserving "at-risk" housing as existing contracts for Project Based Section 8 Program housing expire.

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

The Housing Authority of Santa Cruz County is designated "High Performer."

## **Barriers to Affordable Housing**

As noted in the Consolidated Plan, the greatest barrier to affordable housing is the high cost of housing and land. One of the major factors driving affordability is the scarcity of land. Actions that will be taken to help create more opportunities for housing by encouraging higher densities include the following:

- Work with developers to encourage rental housing development under the new inclusionary housing ordinance, which was implemented in January 2007 in order to encourage the private market to build rental units with minimal public assistance.
- Continue promotion of mixed use, SRO, and the new Small Ownership Unit (SOU) development in commercial areas.
- Continue to explore the possibility of an amnesty program for existing illegal ADUs that would carry an affordable component.

## **HOME/ American Dream Down payment Initiative (ADDI)**

### **SECTION 92.254 OF THE HOME RULE**

HOME or ADDI funds, when available, will be used for first time homebuyers in compliance Section 92.254 of the HOME rule. Guidelines for the City of Santa Cruz First Time Homebuyer (FTH) Program specifically states, "The City's First Time Homebuyer Program is consistent with Section 92.205 (b) regarding forms of investment." The FTH Guidelines also address recapture of HOME (or ADDI) Funds, stating "In the event of any event requiring repayment as defined above, the entire amount of the original HOME loan principal and any contingent interest due shall be recaptured by City."

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## **GUIDELINES FOR RESALE OR RECAPTURE**

The FTH Program primarily utilizes the recapture form of subsidy. As stated in the City's policies and procedures, the amount of direct HOME subsidy provided to the applicant is secured as a "silent second" mortgage. If the property is sold or title is transferred, the HOME second mortgage is repaid to the City's HOME account with "contingent interest."

"Contingent interest" is only charged if the property increases in value and there is available equity to be shared between the City and the property owners. The FTH Program policies and procedures manual defines contingent interest as a percentage calculation of the appreciation of the purchased property.

If the property has not increased in value or has decreased in value, the City shall not charge interest and shall have the option of reducing the amount of the second loan proportionate to the amount of time the property was owned and the remaining term of the affordability period.

## **REFINANCING EXISTING DEBT SECURED BY MULTIFAMILY HOUSING**

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

## **AMERICAN DREAM DOWNPAYMENT INITIATIVE (ADDI)**

The City had received ADDI funds to be used for provision of permanent secondary mortgage assistance to first time homebuyers in connection with a new primary mortgage loan for the purchase of a principal place of residence. All ADDI funds have been expended. If the City receives funds in the future, the following will apply to both ADDI and HOME funded first time homebuyer assistance.

The homebuyer must be a very-low or lower income household (income equal to or less than 80% of area median income as adjusted for household size). The unit being purchased may be a single-family housing; condominium unit; cooperative unit; or combination manufactured home and lot or manufactured home lot.

Individual home buyer counseling is provided to eligible households by the Housing Authority on an as needed basis. Counseling may include information on establishing a credit history or repairing existing credit history as well as how to successfully manage mortgage payments, budget, and maintain the home.

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## HOMELESS

### Specific Homeless Prevention Elements

\*Please also refer to the Homeless Needs Table in the Consolidated Plan Needs.xls workbook.

#### SOURCES AND USE OF FUNDS

Funding for homeless programs is integrated into a county-wide Continuum of Care (CoC) approach under the county-wide Homeless Action Partnership (HAP). Following are some of the keys sources and uses of funds.

**HUD McKinney-Vento:** A major annual source of funding is HUD's McKinney-Vento Homeless Assistance. The 2008 Continuum of Care application (mainly for use in 2008-2009) was successful in receiving a total of \$1,212,840 for ten programs:

Organization	Project	Amount
Housing Authority of the County of Santa Cruz/Health Services Agency Homeless Persons' Health Project	Shelter Plus Care <i>permanent housing</i>	\$68,700
County of Santa Cruz Health Services Agency Homeless Persons Health Project	Meaningful Answers to Chronic Homelessness (MATCH) <i>permanent housing</i>	\$350,920
County of Santa Cruz Human Resources Agency	Homeless Management Information System	\$89,985
Santa Cruz Community Counseling Center	Anderson Homeless Housing Project <i>permanent housing</i>	\$41,540
Homeless Services Center	Page Smith Community House <i>transitional housing</i>	\$142,591
Families In Transition	Scattered Sites <i>transitional housing</i>	\$185,186
Housing Authority/Families In Transition	Brommer Street <i>transitional housing</i>	\$56,000
Families In Transition	Clean and Sober <i>transitional housing</i>	\$181,158
The Salvation Army	Corner House <i>permanent housing</i>	\$83,137
Pajaro Valley Shelter Services	Sudden Street <i>transitional housing</i>	\$13,623
<b>Total</b>		<b>\$1,212,840</b>

In addition, an estimated \$218,508 in McKinney-Vento Shelter Plus Care (permanent housing) awarded in prior years (2003-2008) will be expended in 2009-2010.

**CDBG & HOME:** The City of Santa Cruz is an active participant in the county-wide HAP. As described elsewhere, in addition to administrative funds supporting staff working on HAP activities, anticipated CDBG expenditures on homeless activities include:

- \$23,988, Homeless Community Resources Center (emergency shelter and services);
- \$16,563, River Street Shelter (emergency shelter and services);
- \$200,000 Homeless Community Resources Center (for the newly built 46-bed Paul Lee Loft Shelter).

**Note: At the time that this draft Action Plan was completed, the City of Santa Cruz had not yet been given final grant amounts from HUD. Therefore, it is expected that the amount of funding for HCRC and River Street Shelter will change based on the direction provided by the SSP Committee and described at the Public Hearing on February 10, 2009.**

In previous years, HOME funds were used to construct the Grace Commons (including homeless permanent housing), which is now operational. No homeless-related applications were received for 2009-2010 HOME funding.

**City General Fund:** The City of Santa Cruz General Fund provides about \$20,000 to help support the HAP (CoC application, strategic planning, HMIS, and homeless count).

**Emergency Shelter Grants:** Federal Emergency Shelter Grants (ESG) are awarded through the State of California. In 2008, the Homeless Services Center was awarded a \$200,000 two-year ESG grant for emergency shelter activities at the Rebele Family Shelter. \$100,000 of this amount will be used in 2009-2010.

**Other Federal, State & County Sources:** A variety of federal and state homeless targeted and mainstream funding sources are expected to support the efforts of the HAP and its agencies to prevent and end homelessness: These include:

- Health Care for the Homeless Program (homeless outreach, case management and health services);
- CalWORKS (services for homeless families);
- Social Security Administration HOPE Grants (homeless SSI outreach and application aid);
- AB2034 California Mental Health Services for Homeless;
- Other Mental Health Program funds; and
- County general funds (winter shelter, CoC application, and homeless count).

Foundations and Private Donors: Foundations (such as the Community Foundation of Santa Cruz County and United Way of Santa Cruz County) and individual donors are significant sources of funds for activities to prevent and end homelessness.

## **PRIORITIES & OBJECTIVES FOR HOMELESSNESS FOR 2009-2010**

The City of Santa Cruz will continue to take a lead role in the countywide CoC system, supporting the action-oriented 10 Year Strategic Plan to End Homelessness (10-Year Plan). Using CDBG, Redevelopment Agency, and other funds, the City will pursue the following priority strategies in 2009-2010, which are integral to the county-wide 10-Year Plan. (Note that the same HUD system of outcome measurements described under the Housing Section applies.)

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### **PRIORITY HO.1 - Support Services and Organizations that Assist Homeless Individuals and Families**

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**Consolidated Plan Objective HO.1 (a):** Provide CDBG Community Service funding for Homeless Community Resource Center (HCRS), including the Shelter Program; and the River Street Shelter.

- **2009-2010 Action Objective:** Funding for HCRS & River Street Shelter are included in Plan Year budget. As noted below, the Interfaith Satellite Shelter Program has been replaced by the permanent 46 bed Paul Lee Loft Shelter at the HCRS (a net gain of 18 beds). The temporary 28-bed Interfaith Satellite Shelter Program is being phased out.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective HO.1 (b):** Continue to provide soft costs for the Emergency Family Housing Project at the Homeless Resource Center, if needed.

- **2009-2010 Action Objective:** No additional funding provided in Plan Year. The 90-bed Rebele Family Shelter was completed in 2006 and has been occupied since.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Availability/Access

### **PRIORITY HO.2 - Develop Additional Facilities For Transitional And Permanent Housing**

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**Consolidated Plan Objective HO.2 (a):** Support rehabilitation of 11 units of housing at 111 Barson to provide SRO housing for formerly homeless individuals.

- **2009-2010 Action Objective:** No further action or funding needed in 2009-2010. The project, re-named Nuevo Sol SRO, was completed in 2006-2007. In 2007-2008, 3 additional units/beds were added to reach a total 14 homeless adults housed.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective HO.2 (b):** Identify at least one opportunity for development of permanent housing for homeless or formerly homeless individuals or households by 2006 and, if feasible, by 2007 initiate negotiations with a non-profit developer to develop at least 10 units of permanent housing.

- **2009-2010 Action Objective:** Continue to identify and pursue opportunities. This is made difficult by the lack of building sites and lack of housing affordability in Santa Cruz. Efforts to identify a project will focus on collaboration with the HAP, the Redevelopment Agency, and County Homeless Persons Health Project and Mental Health unit (all of whom are seeking new homeless housing projects).
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

### **PRIORITY HO.3 - Support For Homeless Resource Center**

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**Consolidated Plan Objective HO.3 (a):** Complete design and initiate construction of shower facility improvements at the Homeless Services Center.

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- **2009-2010 Action Objective:** The hygiene center improvements (as expanded to include the Paul Lee Loft Shelter) were completed in the 2007-2008 Plan Year. No further action needed.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective HO.3 (b):** Help identify and construct other improvements of the Homeless Community Resources Center as needed.

- **2009-2010 Action Objective:** No further action needed. All improvements in close proximity to hygiene center improvements were completed in the 2007-2008 Plan Year.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective HO.3 (c):** Support implementation of Phase II Master Plan.

- **2009-2010 Action Objective:** Implementation of Phase II has not begun.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Availability/Access

#### **PRIORITY HO.4 - Improve Winter Shelter Program & Facilities**

**Consolidated Plan Objective HO.4 (a):** In collaboration with Homeless Services Center, the County, and other stakeholders, initiate a study to explore permanent shelter program options.

- **2009-2010 Action Objective:** No further action needed on a permanent shelter as the permanent 46 bed Paul Lee Loft Shelter at the HCRS was completed in the the 2007-2008 Program Year. However, in 2009-2010 the City will continue to fund the winter shelter armory program in collaboration with the County, the State EHAP program, and other stakeholders. This provides emergency armory beds during the winter cold rainy season.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Availability/Access

#### **PRIORITY HO.5 - Work To Improve Continuum Of Care Process**

**Consolidated Plan Objective HO.5 (a):** Continue to support housing objectives of the Santa Cruz County Ten Year Strategic Plan on Homelessness and implement when feasible.

- **2009-2010 Action Objective:** Continue to assist in implementation of 10-Year Plan. The County, Cities (including Santa Cruz) and Community Foundation will continue to fund a 10-Year Plan Implementation Consultant in 2009-2010. City staff will continue participation in the Housing Committee and HAP.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective HO.5 (b):** Participate in homeless persons counts as required by HUD.

- **2009-2010 Action Objective:** In collaboration with the HAP the City participated in funding the January 2009 homeless count, survey, and report. No activity is required or expected in the 2009-2010 Plan Year.
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- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective HO.5 (c):** Participate in additional planning efforts under the Homeless Action Partnership for Santa Cruz County.

- **2009-2010 Action Objective:** Continue participation in regular HAP meetings, McKinney-Vento project ranking committee, and any housing-related meetings. Provide match funding for the HAP's homeless management information system (HMIS) project.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Availability/Access

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#### **PRIORITY HO.6 - Provide Rent Subsidies & Assistance**

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**Consolidated Plan Objective HO.6 (a):** Redevelopment Agency to provide funding for rental assistance to 20-30 families to help them avoid homelessness (with Community Action Board).

- **2009-2010 Action Objective:** Provide funding through Redevelopment Agency.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective HO.6 (b):** Redevelopment Agency to provide funding for first and last month rental deposit to assist 10-20 households transition out of homelessness (with Housing Authority).

- **2009-2010 Action Objective:** Provide funding through Redevelopment Agency.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

#### **BARRIERS**

The Santa Cruz community strongly supports efforts to end homelessness. Key barriers are:

- Lack of housing affordability and lack of sites for homeless housing; and
- Lack of sufficient funding, due especially to state and local budget cuts, to complete all needed activities.

#### **CHRONIC HOMELESSNESS**

As mentioned previously, the City participates in a county-wide approach to ending homelessness centered on the Homeless Action Partnership (HAP). In 2005, the HAP completed a Ten-Year Plan to End Homelessness (10-Year Plan), including chronic homelessness. This Plan is fully integrated and coordinated with the Continuum of Care (CoC) Plan submitted to HUD each year with the consolidated McKinney-Vento Homeless Assistance application. Following is the CoC action plan submitted to HUD, including next-year action steps, for ending chronic and other homelessness by 2012. Key Action Steps for City participation are marked with "\*\*\*".

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Objectives	Actions Steps in the Next 12 Months
<b>1. Create new permanent housing (PH) beds for chronically homeless persons.</b>	Implement newly received Shelter Plus Care (S+C) grant with 1-2 beds for chronically homeless persons.
	Apply for additional S+C funding from the Samaritan Initiative to provide one new permanent bed for chronically homeless persons.
	Secure and acquire a new site (to replace the Wheelock Rd. site) to provide PH for 10 homeless persons with a disabling condition (including chronically homeless persons).
	**Continue convening the CoC Housing Committee as the focus for planning activities to create new permanent beds; implement newly revised housing chapter.
	**Review and report to jurisdictions on progress toward meeting permanent housing objectives of the 10-Year Plan to End Homelessness and new permanent housing needed.
	Update and finalize the 3-Year Mental Health Housing Plan, including permanent housing goals for homeless persons with mental illness (many of whom are chronically homeless).
	**Identify potential government and foundation funding sources for new PH for chronically homeless people.
	**Develop a plan to create one new permanent housing project, possibly for persons with mental illness (possibly including chronically homeless persons). Begin implementing the plan by identifying a site and applying for State Mental Health funding and other potential sources.
	Assess feasibility of increasing the number of homeless persons who receive mental health housing subsidies to obtain permanent housing. If feasible, identify additional clients for subsidies and assist them to secure appropriate housing.
	Develop a plan to secure permanent housing for chronically homeless women who have left the correctional system. Identify specific apartments and/or houses and rent subsidy sources. **Advocate for new and increased funding for permanent housing from federal, state, and local sources. Support revisions to County and City zoning and housing development ordinances and policies to encourage the retention of existing and creation of new permanent housing of all types (including for chronically homeless persons).
<b>2. Increase percentage of homeless persons staying in PH over 6 months to at least 71%.</b>	Expand access to State Prop. 63 Mental Health funding to fund new integrated health and integrated social services for chronically homeless persons in PH.
	Monitor and assess the effectiveness of existing integrated services in permanent housing and recommend changes needed to make enhance programs and obtain additional funding for enhancements.
	Continue to seek new funding to further expand the SCCCC Housing Support Team, allowing it to provide expanded and deepened services for chronically homeless persons with mental illnesses in permanent housing.
	Increase the number of chronically homeless persons served in S+C by integrated mental health teams.
	Monitor and evaluate policies for transitional housing and permanent supportive housing tracking, aftercare, and supportive services to better quantify and support housing retention.
	**Sustain the funding available for permanent housing emergency financial assistance to prevent eviction and/or utilities cutoff. Make mediation and legal services available to reduce the number of evictions resulting from landlord-tenant cases.
<b>3. Increase percentage of homeless persons moving from transitional housing</b>	Implement the GEMMA (Community Action Board) transitional housing program with 6 beds and supportive services for homeless women leaving the correctional system. Focus on stabilizing the families and moving them toward permanent housing.
	Identify new funding for supportive, employment, and housing placement services to assist

<p><b>(TH) to PH to at least 61.5%.</b></p>	<p>clients in transitional housing to save funds and locate and move into permanent housing.</p> <p>Gather HUD annual progress reports (APR) and data from other sources to assess CoC-wide success in moving people from TH to PH.</p> <p>Continue out-stationing County public benefits staff at TH sites to assist clients to access benefits and increase incomes for eventual PH.</p> <p>Maintain TH programs relationship with the Housing Authority to ensure TH clients have access to Section 8 information and assistance in applying.</p> <p>Maintain and improve relationships with private landlords with affordable units for TH graduates.</p>
<p><b>4. Increase percentage of homeless persons employed at exit to at least 18%.</b></p>	<p>Continue convening the HAP Jobs and Incomes Committee to develop and implement strategies for meeting the 10-Year Plan’s employment objectives and to increase homeless employment opportunities.</p> <p>Coordinate with the Workforce Investment Board, One-Stop Centers, and Welfare-to-Work to address the unique needs of homeless job seekers.</p> <p>Seek to increase the availability of existing employment supports, including clothing, soft skills and interview training, life skills training, voicemail, transportation, lunches, and employment search.</p> <p>Connect TH clients to employment opportunities through out-stationed Welfare-to-Work eligibility worker.</p> <p>Expand training, placement, and soft-skills services of homeless-targeted employment programs, including Homeless Garden Project and Woman’s Venture Program.</p> <p>Coordinate with the Probation Department Job Developer to find appropriate employment for homeless women being discharged from jail.</p> <p>Implement new collaborative program among the County Office of Education, Human Resources Agency, and Independent Living Program, providing vocational training to foster youth ages 14-21. Connect all qualified homeless youth to this new program.</p> <p>Complete survey of mental health system clients (including homeless people) and service coordinators to assess the effectiveness of employment services and determine if changes are needed, including an employment specialist. Implement recommended changes.</p>
<p><b>5. Ensure that the CoC has a functional HMIS system.</b></p>	<p>Improve data completeness and quality through weekly agency exceptions reports and agency corrections of data. Reduce each agency’s null rate to no more than 5%.</p> <p>**Continue to seek annual funding for and operate the Santa Cruz CoC HMIS project.</p> <p>Continue implementing HMIS-wide data quality assessment plan to prepare for data analysis; convene the HMIS data assessment group monthly, to focus on data quality and data analysis issues.</p> <p>Convene HMIS Users Group quarterly to focus on agency-level data quality and user learning.</p> <p>Address HMIS Standards privacy and security compliance through site visits and monitoring.</p> <p>Hold periodic user training and annual ethics/confidentiality training.</p> <p>Participate in the Bay Area 11-CoC regional HMIS data warehouse project (RHINO); attend all planning meetings and begin uploading data to the warehouse in Fall 2007.</p>

**Barriers:** Barriers to this Plan are identified by the objective above:

- **Objective 1** (new PH beds for chronically homeless): Creation of new PH beds for chronically homeless persons is extraordinarily challenging in Santa Cruz County due to the unavailability of land for affordable housing. In addition, there is a shortage of existing rental units, and rental costs are very high;
- **Objective 2** (percentage of homeless in PH over 6 months): The objective is challenging for this CoC not because of poor performance, but because key PH programs are serving extremely hard-to-serve, highly unstable subpopulations

(Corner House, women with heroin addiction; Anderson House, adults with severe mental illness);

- **Objective 3** (Increase percentage of homeless persons moving from transitional housing): The key barrier is the lack of available, affordable permanent housing for transitional housing graduates to move to.
- **Objective 4** (Increase percentage of homeless persons employed): The key barrier is that homeless people lack homes and skills for employment.
- **Objective 5** (Ensure that the CoC has a functioning HMIS): Lack of sufficient funding is a key barrier, as is lack of buy-in to HMIS among some providers.

## HOMELESS PREVENTION

The City recognizes that increasing the availability and accessibility of housing affordable to those who have extremely low incomes is key to preventing and reducing homelessness in Santa Cruz. In 2009-2010, collaborating with the Housing Authority, Redevelopment Agency, and affordable housers, the City will support efforts to increase the availability of low cost housing for persons with low incomes and special needs.

To prevent homelessness, the HAP seeks to dramatically decrease the number of the lowest income households who lose their housing through emergency rental and utility assistance and eviction prevention measures, coupled with an increase in the housing units made available by landlords to low income families. Under the Redevelopment Agency emergency rental funds are provided (as noted above in objective HO.6 (a)).

Finally, the HAP's Housing Committee, with City participation, has updated and is working to implement the homelessness prevention steps of the 10-Year Plan. The goal now is to provide assistance to reduce the number of households at poverty level who lose their housing. Potential HAP action steps in 2009-2010 include outreach to families, increasing funding for rental assistance and eviction prevention, and negotiating with landlords.

## DISCHARGE COORDINATION

The HAP/CoC's strategy in ending chronic and other homelessness begins with a fully integrated discharge planning system. Stopping the cycle of homeless persons rotating in and out of institutions is a critical first step. In 2009-2010, the HAP, with City participation will continue its efforts to identify and implement policies and procedures to prevent people from being discharged into homelessness from major institutions. Also, the City's Redevelopment Agency will continue to provide funding for first/last month's rental assistance (as noted above in objective HO.6 (b)).

The following summarizes current discharge coordination among HAP agencies and the foster care, mental health, public health, and correctional institutions:

**Foster Care:** The County of Santa Cruz Human Resources Agency 's (HRA) Families and Children's Services Division Supportive Adolescent Services (SAS) unit has established a specific policy and instituted procedures to prevent emancipated youth from being released into homelessness. Foster youth who will need assistance are identified prior to reaching the age of 18. Once identified, the SAS unit works to

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reunify the youth with family, or to identify an adult to provide support. At age 16, if still in care, youth are eligible for the Independent Living Program (ILP), which assists them in a wide of array ways, including workshops and limited financial assistance related to housing. ILP also receives special 18-month Section 8 vouchers from the Santa Cruz County Housing Authority to provide to youth ages 18-21, and after that initial period, the Housing Authority puts the youth on the waiting list for permanent vouchers. Additionally, there is a Transitional Housing Project-Plus program is available for youth ages 18-24.

**Health Care:** The County of Santa Cruz Health Services Agency's Homeless Persons' Health Project (HHP) has formal protocols and procedures for clients enrolled in Project Connect, 40% of whom are homeless. This project addresses the needs of persons who are frequent users of hospital emergency departments, providing services aimed at reducing hospitalizations. HHP collaborates with local hospitals on this project; when persons are hospitalized, policies and procedures are in place to prevent their being discharged into homelessness. The project works with various community agencies, such as the Community Action Board, Santa Cruz Community Counseling Center, and the local Housing Authority to provide referrals for housing.

**Mental Health:** The County of Santa Cruz Health Services Agency (HSA) has a formal procedure for discharging patients from the inpatient psychiatric unit 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. From the hospital, people may be placed in step-down treatment programs, social rehabilitation programs, or non-McKinney-Vento-funded transitional or permanent housing. Additionally, HSA has a Housing Council that meets weekly and includes senior mental health staff and senior counseling staff from nonprofit housing providers. This Council coordinates vacancies, identifies potential housing facilities, and recommends clients for appropriate vacancies. Housing options range from crisis beds, to adult residential care facilities, and to supportive housing.

**Corrections:** The Santa Cruz County Jail has had discharge planning policies and procedures since October 1985 that provide a coordinated system of care for mentally ill inmates which includes: probation, County Jail staff (jail psychiatrist, crisis intervention team, jail nursing staff, and detention staff), County Community Mental Health Services, the criminal justice system, detention facilities, district attorney, public defender, nonprofit organizations, acute inpatient facilities, residential board and care providers, sub-acute residential care, dual diagnosis residential programs, mental health independent housing, non-McKinney-Vento-funded transitional housing, state hospital care, family members, and court interpreters. The policies provide for a Jail Discharge Planner, who works with the client while in jail, establishes a discharge plan, and monitors aftercare services (mental and health, outpatient referrals, probation, community referrals and resources, as well as the criminal justice system).

Building on these collaborations, the HAP will continue in 2009-2010 to improve discharge planning by:

- Supporting the GEMMA (Community Action Board) program providing transitional housing and treatment for women exiting jail; and
  - Communicate with Dominican Hospital and Watsonville Hospital regarding preventing hospital discharges into homelessness.
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## COMMUNITY DEVELOPMENT

### Community Development

\*Please also refer to the Community Development Table in the Needs.xls workbook.

#### **PRIORITY NON-HOUSING COMMUNITY DEVELOPMENT NEEDS**

The City has addressed most of its high priority non-housing community development needs that were identified in the current 5 year plan. Outstanding priorities, include:

1. **HOMELESS FACILITIES:** Continuation of improvement for the Homeless Resources Center under the Phase II Master Plan.
2. **PARKS AND RECREATION FACILITIES** (in Target Areas of the City): Improvements for the Beach Flats Park.
3. **PUBLIC FACILITIES AND IMPROVEMENTS**
  - a. **COMMUNITY FACILITIES:** The City is in the process of planning a performing arts center which will not only provide a needed community facility but enhance economic development of the City. CDBG funds may be used to provide access for disabled individuals.
  - b. **PUBLIC FACILITIES AND IMPROVEMENTS/INFRASTRUCTURE:** Street and sidewalk improvements and flood drainage improvements are priorities at various locations within the Target Area.
4. **HOUSING REHABILITATION PROGRAM:** With aging housing stock, this remains a priority, with a focus on multi-family housing.
5. **CODE ENFORCEMENT:** Again with aging housing stock, on-going code enforcement remains a priority.
6. **PROGRAM ADMINISTRATION** (including Planning and Fair Housing Activities): On-going requirement to oversee projects and manage programs.

#### **COMMUNITY DEVELOPMENT PRIORITIES & OBJECTIVES FOR 2009-2010**

In recognition that the County of Santa Cruz provides for many Community needs in the City, the Consolidated Plan focuses on the following long and short term objectives and strategies for the five years covered by this Consolidated Plan. The overriding goal for community development is to implement public facility programs and projects which will benefit the greatest number of lower income households and improve the service needs of the City. The following describes specific objectives.

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(Note that the same HUD system of outcome measurements described under the Housing Section applies.)

### **PRIORITY CD.1 - Community Services**

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**Consolidated Plan Objective CD.1 (a):** During the next five years, assist other City Departments, at least three non-profit organizations, and neighborhoods in providing services and community building activities.

- **2009-2010 Action Objective:** Continue assistance to at least three non-profit organizations.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Sustainability

### **PRIORITY CD.2 - Non-Profit Facility Development**

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**Consolidated Plan Objective CD.2 (a):** Initiate construction of the expansion and improvements for the Downtown Children's Center daycare.

- **2009-2010 Action Objective:** Project has been delayed but is under construction with the intent to complete Phase I in 2009-2010.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective CD.2 (b):** Support construction or rehabilitation of facilities for organizations that provide services to low income households.

- **2009-2010 Action Objective:** No activities during 2009-2010 PY.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Availability/Access

### **PRIORITY CD.3 - Community Facility Development**

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**Consolidated Plan Objective CD.3 (a):** Assist in completing park and recreation facilities associated with the Beach Flats Community Center by 2009, including constructing Raymond Street Park and refurbishing Beach Flats Park.

- **2009-2010 Action Objective:** Seek additional funding to refurbish Beach Flats Park 2009-2010.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Sustainability

**Consolidated Plan Objective CD.3 (b):** Assist with other park development or improvements in the Target Area as needed.

- **2009-2010 Action Objective:** No other park activities during 2009-2010 PY.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Sustainability

**Consolidated Plan Objective CD.3 (c):** Assist with development of the Tannery Arts Center by 2010, as needed.

- **2009-2010 Action Objective:** Tannery construction started in 2008. No CDBG funds are designated to be used in the project for 2009-2010.
  - **HUD Objective:** Suitable Living Environment
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- **HUD Outcome:** Sustainability

#### **PRIORITY CD.4 -- Infrastructure Improvements**

- **2009-2010 Action Objective:** Initiate and implement NRSA infrastructure projects as described in NRSA Plan.
- **HUD Objective:** Suitable Living Environment
- **HUD Outcome:** Sustainability

#### **PRIORITY CD.5 -- Economic Development**

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In the past, the following objectives were typically accomplished solely with redevelopment agency funds and staff. The overriding economic development goal continues to be to implement programs and projects which will benefit the greatest number of lower income persons by providing for increased job opportunities and an increase in economic growth in the City.

**Consolidated Plan Objective CD.5 (a):** Expand economic development opportunities for low and moderate income households by encouraging development of new jobs and retaining/expanding existing industries and businesses in the City. Identify three businesses for development or retention over the next five years.

- **2009-2010 Action Objective:** Implement NRSA strategies.
- **HUD Objective:** Economic Opportunity
- **HUD Outcome:** Sustainability

**Consolidated Plan Objective CD.5 (b):** Continue to support efforts of non-profit and for-profit organizations in providing job opportunities for lower income persons. The City will emphasize job creation through ongoing efforts of the Redevelopment Agency. (No numerical goals are specified.)

- **2009-2010 Action Objective:** Implement NRSA strategies.
- **HUD Objective:** Economic Opportunity
- **HUD Outcome:** Availability/Access

#### **USE OF FEDERAL, STATE, AND LOCAL PUBLIC/PRIVATE RESOURCES**

The County of Santa Cruz Human Resources Agency coordinates federal, state, and county government funding for most social service programs the City of Santa Cruz whereas the City's Economic and Redevelopment Agency facilitates and funds economic development activities. For Social Services, the City provides both CDBG and General Fund grants. CDBG social service provider funds are used for the Familia and Beach Flats Community Centers serving low income areas of the City. General Funds are provided to about fifty organizations.

**LEVERAGING:** CDBG funds for social service providers are leveraged about 10 times, with local funding being leveraged 7 times. The ability to leverage CDBG funds for improvement projects varies significantly. The recently completed Poet's Park leveraged its CDBG funding on about a 1:1 ratio. Although only CDBG funds were used for the Homeless Services Center Hygiene Center Improvements and 46 bed shelter, no CDBG funds were used for the Rebele Family Emergency Shelter which is also located on the same HSC Campus. In taking the two projects into consideration, CDBG funds were leveraged over 10 times.

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## Antipoverty Strategy

A number of other County-wide initiatives have been designed to assist in the reduction of poverty rates. These programs include Santa Cruz County Homeless Action Partnership (Continuum of Care) and the Campaign to Connect Local People to Local Jobs project with the goal of moving 1,000 local residents into local jobs with career potential within a five-year period. City and/or Redevelopment Agency staff participate in working groups under these programs. The City also helps to fund these programs.

In addition to these programs, the availability of housing and other services can directly influence people's ability to escape poverty. For example, access to child care helps people be more accessible for employment and services. CDBG funds from previous years are currently being used to expand an existing child care facility.

## NON-HOMELESS SPECIAL NEEDS HOUSING

### Non-homeless Special Needs (91.220 (c) and (e))

\*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

#### SPECIAL NEEDS PRIORITIES & OBJECTIVES FOR 2009-2010

Santa Cruz provides a wide range of services and housing options to meet the special needs of residents. Of particular need at this point is housing for persons with psychiatric disabilities, including the mentally ill.

#### PRIORITY SP.1 - Housing Options for Special Needs Population

**Consolidated Plan Objective SP.1 (a):** Work with Corporation for Affordable Community Housing (CACH) as a CHDO to construct 15 units of housing (Grace Commons) for the psychiatrically disabled by the end of 2008. (HOME funds)

- **2009-2010 Action Objective:** Project completed in 2007.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective SP.1 (b):** Over this Program year, continue to provide CDBG funds to Senior Network Services to assist with their programs for housing assistance to elderly households.

- **2009-2010 Action Objective:** Continue funding.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

**Consolidated Plan Objective SP.1 (c):** Continue to work with non-profit organizations in providing housing options for the special needs populations of elderly, persons with physical disabilities, persons with mental disabilities, and persons with HIV/AIDS.

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- **2009-2010 Action Objective:** Continue to work with Santa Cruz Community Counseling Center to provide shelter and housing options.
- **HUD Objective:** Housing
- **HUD Outcome:** Availability/Access

## **FEDERAL, STATE, LOCAL PUBLIC AND PRIVATE SECTOR RESOURCES**

The County of Santa Cruz Human Resources Agency coordinates federal, state, and county government funding for programs and services for disabled populations in the City of Santa Cruz. In addition, there is a network of non-profit organizations that serve this population. The City provides both CDBG and General Fund grants. CDBG social service provider funds are used for the Senior Network Services and the River Street Shelter (for homeless individuals with psychiatric disabilities). General Funds are provided to:

- **DORAN CENTER FOR THE BLIND AND VISUALLY IMPAIRED:** Serves the blind and visually impaired and their support networks.
  - **CENTRAL COAST CENTER FOR INDEPENDENT LIVING:** Assists persons with disabilities to live independently through advocacy; housing assistance; personal assistance services; peer support; independent living skills and life skills training; and referral services.
  - **LIFTLINE** (Community Bridges): Provides transportation services for the disabled or elderly.
  - **MEALS ON WHEELS** (Community Bridges): Provides a daily visit and a nutritious meal for vulnerable elders and disabled residents.
  - **SANTA CRUZ AIDS PROJECT:** Provides housing, counseling, transportation, meals, and other support services to persons with HIV/AIDS and their families.
  - **SANTA CRUZ COMMUNITY COUNSELING CENTER (SCCCC):** Provides a range of services to psychiatrically disabled including (1) housing; (2) community support services to support and educate mental health consumers and their families; and community recovery services to help those with difficulties associated with drug or alcohol use.
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## **ATTACHMENTS**

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- A.** Activity Statements/CDBG & HOME Budgets
  
- B.** Geographical Location of 2009-2010 Projects
  - Map 1 – Public Facility & Housing Projects
  - Map 2 – Public Service Programs
  - Map 3 – Code Enforcement Target Areas
  - Map 4 – Neighborhood Revitalization Strategy Area
  
- C.** Project Workbooks from HUD CPMP Tool
  
- D.** Performance Measurement Chart
  
- E.** HOME Match Requirements

## ATTACHMENT A: Sheet 1

### FINANCIAL RESOURCES

The City intends to use all federal, state, local and private sources of funds available to implement the priorities of the 2005-2010 Consolidated Plan. Listed on the below are the resources anticipated during the 2009 - 2010 program year. **Note that the final allocations for CDBG and HOME funds are not yet available for this Draft Plan.**

FUNDING SOURCE	FUNDING LEVEL	USE OF FUNDS IN PROGRAM YEAR 2008-2009
Community Development Block Grant Funds	\$590,000	<ul style="list-style-type: none"> <li>Housing Rehabilitation Program</li> <li>Code Enforcement (Target Areas)</li> </ul>
Program Income	\$20,700	<ul style="list-style-type: none"> <li>Relocation Assistance (Target Areas)</li> <li>Familia Center Neighborhood Support Services</li> </ul>
Reprogrammed Prior Year Funds	\$19,680	<ul style="list-style-type: none"> <li>Homeless Services Center – Services &amp; Improvements</li> <li>Beach Flats Community Center Services</li> <li>Senior Network Services: Shared Housing Program</li> <li>Administration</li> </ul>
HOME Funds	\$540,000	<ul style="list-style-type: none"> <li>Homeownership Assistance Program</li> </ul>
Program Income	\$5,300	<ul style="list-style-type: none"> <li>Rental Housing Set-Aside*</li> </ul>
Reprogrammed Prior Year Funds	\$371,981	<ul style="list-style-type: none"> <li>Administration</li> </ul>
Redevelopment Tax Increment Funds	\$1,250,000	<ul style="list-style-type: none"> <li>Emergency Rent/Mortgage Assistance</li> <li>Live/Work Program - Tannery Artist Lofts</li> <li>Security Deposit &amp; Guarantee of Last Month's Rent Program</li> <li>Set-Aside for Affordable Rental Housing*</li> <li>Administration</li> </ul>
Affordable Housing Trust Fund	\$0	<ul style="list-style-type: none"> <li>Set-Aside for Affordable Housing (Note, currently there are no funds available. It is anticipated this will change when the economy begins to revive.)*</li> </ul>
Capital Improvement Program	\$1,083,000	<ul style="list-style-type: none"> <li>Infrastructure improvements in NRSA</li> </ul>
TOTAL	\$3,880,661	

\*Funds are set-aside in these programs in order to accumulate a sufficient level of funding to assist with the preservation of "at risk" housing or the development of new affordable housing units.

## ATTACHMENT A: Sheet 2

### CDBG ANNUAL ACTIVITIES STATEMENT: 2009-2010 PROGRAM YR

Adopted:

PROJECTS	2008 -2009 FUNDING	2009-2010 PROGRAM YEAR		
		FUNDING REQUEST	FUNDING APPROVED	
<b>PUBLIC FACILITIES AND IMPROVEMENTS</b>				
Activity:	Homeless Community Resource Center Improvements	\$200,000	\$200,000	\$200,000
Applicant:	Homeless Services Center			
<b>CODE ENFORCEMENT</b>				
Activity:	Target Area Housing Code Enforcement	\$185,000	\$185,000	\$185,000
Applicant:	City of Santa Cruz			
<b>TOTAL PROJECT ALLOCATIONS:</b>				<b>\$385,000</b>

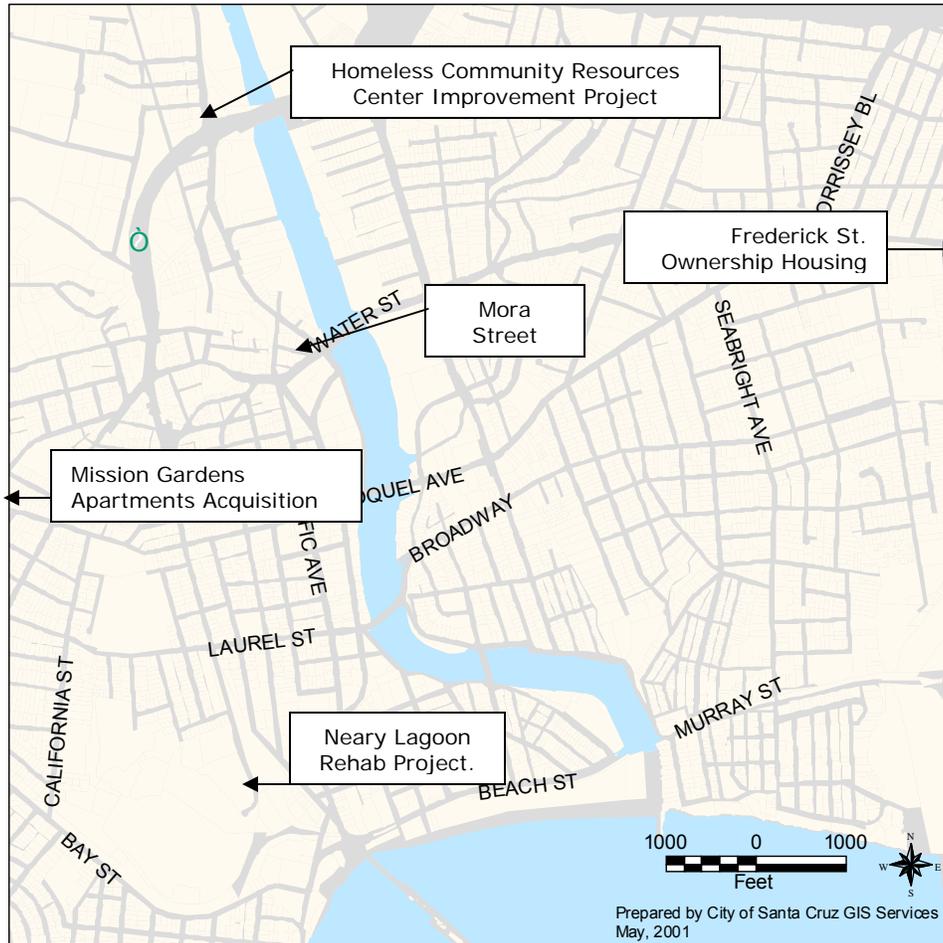
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**ATTACHMENT A: Sheet 4**

**HOME ANNUAL ACTIVITIES STATEMENT: 2009-2010 PROGRAM YR**  
**Adopted:**

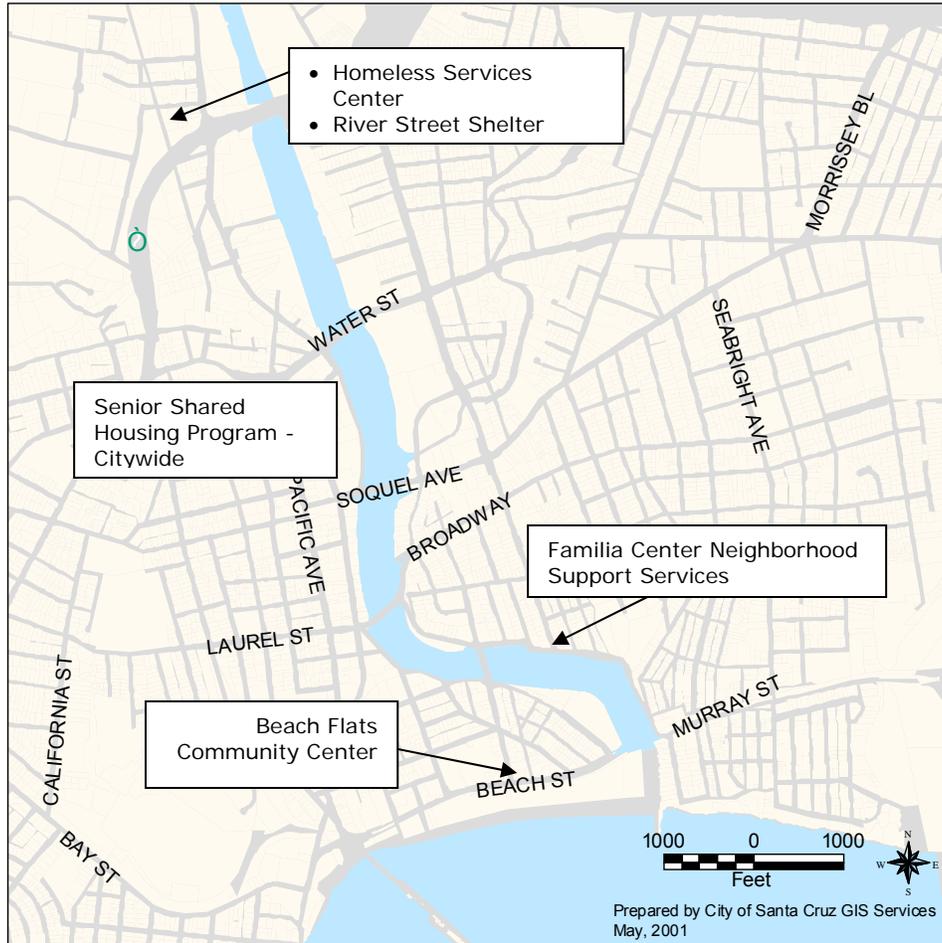
PROJECTS	FUNDING CARRYOVER	2009-2010 PROGRAM YEAR		
		FUNDING REQUEST	APPROVED	
			CHDO	08-09 FUNDS
<i>Activity:</i> <b>Mora Street</b> <i>Applicant:</i> Habitat for Humanity	\$127,019	\$0	--	\$0
<i>Activity:</i> <b>Mission Gardens Rehab Project</b> <i>Applicant:</i> Mission Gardens Affordable Housing	\$1,290,000	\$0	--	\$0
<i>Activity:</i> <b>HOME Housing Services Program Fund</b> <i>Applicant:</i> City of Santa Cruz	\$0	Remaining	--	\$2,751
<i>Activity:</i> <b>First Time Homebuyer Program</b> <i>Applicant:</i> City of Santa Cruz	\$77,159	\$210,000	--	\$210,000
<i>Activity:</i> <b>Frederick St. Home Ownership Unit</b> <i>Applicant:</i> Habitat for Humanity	\$0	\$50,000	--	\$50,000
<i>Activity:</i> <b>Neary Lagoon Rehabilitation Project</b> <i>Applicant:</i> Central Coast Housing/Mercy Housing	\$0	\$600,000	\$81,000	\$519,000
<b>TOTAL PROJECTS:</b>			<b>\$81,000</b>	<b>\$781,751</b>
<b>PROGRAM PLANNING AND ADMINISTRATION</b>				
<i>Activity:</i> <b>Grant Administration and Planning</b> <i>Applicant:</i> City of Santa Cruz	\$0	\$54,530 (By Formula)	NA	\$54,530
<b>TOTAL ADMIN. FUNDS AVAILABLE:</b>				<b>\$54,530</b>
<b>TOTAL HOME BUDGET:</b>				<b>\$917,281</b>

## ATTACHMENT B: Map 1



**Map 1 - Public Facility & Housing Projects**  
Annual Action Plan 2009 - 2010

## ATTACHMENT B: Map 2



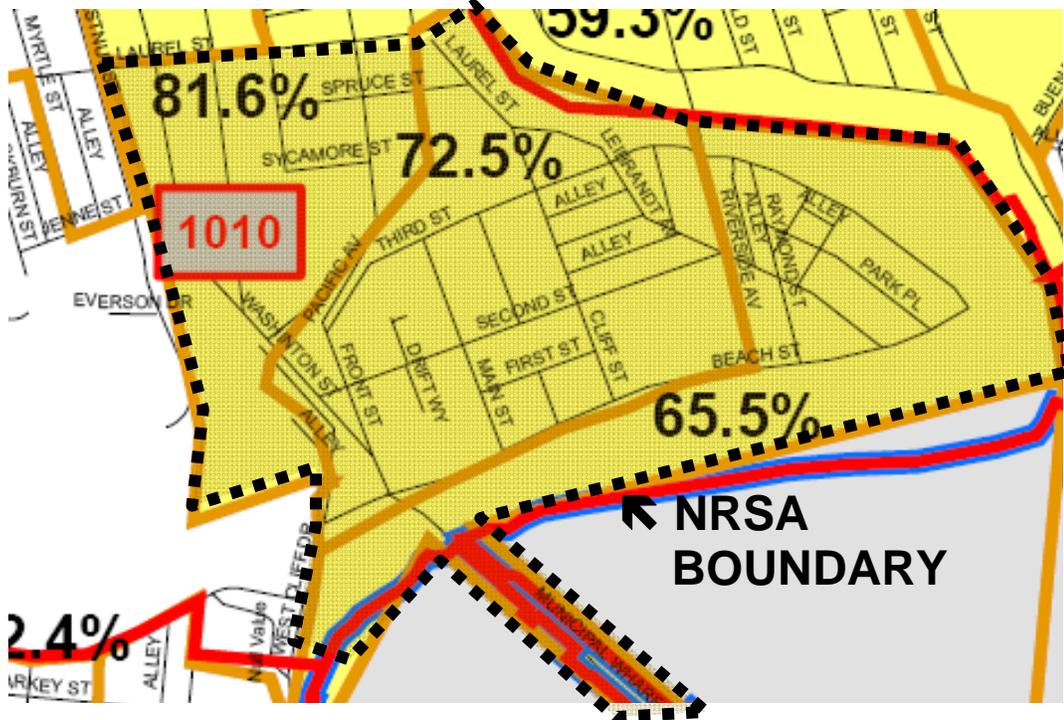
### Map 2 - Public Service Programs Annual Action Plan 2009 - 2010

**ATTACHMENT B: Map 3**



**Map 3 - Housing & Community Development  
CDBG/HOME Target Areas  
Annual Action Plan 2009 - 2010**

ATTACHMENT B: Map 4



Map 4 – Beach/South of Laurel  
Neighborhood Revitalization Strategy Area  
Annual Action Plan 2009 - 2010

**ATTACHMENT C: Projects Workbook from HUD CPMP Tool**

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**ATTACHMENT C TO BE PROVIDED  
WITH FINAL PLAN**



**ATTACHMENT D**

**CITY OF SANTA CRUZ CONSOLIDATED PLAN 2005-2010; ACTION PLAN 2009-2010 PERFORMANCE OUTCOME CHART**

Consolidated Plan Priority	Objective Number	Objective Description	Sources of Funds	Indicator	HUD Objective	HUD Outcome
AH.1 Preservation of At Risk Housing	AH.1(a)	Riverfront Apartment Contract Renewal	HOME/CDBG ADMIN	Units Preserved	Housing	Availability/ Access
	AH.1(b)	At-Risk Housing Preservation	HOME/CDBG ADMIN	Developments Tracked	Housing	Availability/ Access
AH.2 Homeownership Program	AH.2(a)	First Time Homebuyer	HOME; ADDI; State	Assisted Households	Housing	Affordability
	AH.2(b)	Development of Affordable For-Sale Units (public/private)	Inclusionary Program; AH Trust Fund	# Developers Contacted/# Units Created	Housing	Availability/ Access
	AH.2(c)	Promote the First Time Homebuyer Outreach	HOME/CDBG ADMIN	# of contacted Households	Housing	Affordability
	AH.2(d)	Grant Fund Applications	HOME/CDBG ADMIN	# Grant Applications	Housing	Affordability
AH.3 Housing Rehabilitation Program	AH.3(a)	Rehabilitation of 5-10 Units	CDBG; HOME; State	# of Units Assisted	Housing	Affordability
	AH.3(b)	Housing Rehabilitation Grant Fund Applications	HOME/CDBG ADMIN	# Grant Applications	Housing	Affordability
AH.4 Create New Affordable Rental Units	AH.4(a)	Develop 10 to 15 Units for Psychiatrically Disabled Adults	HOME	# Units	Housing	Affordability
	AH.4(b)	Fund 2 Apartments - Walnut Avenue Women's Center	HOME	# Units	Housing	Availability/ Access
	AH.4(c)	Non-profit Developers Partnership to Provide Housing	HOME/CDBG ADMIN	# of non-profit Developers	Housing	Affordability
	AH.4(d)	For-profit Developers Fund or "Buy Down" Existing Affordable Rental Units	HOME/CDBG ADMIN	# of Units Assisted	Housing	Affordability
	AH.4(e)	Annual Goal of 30-50 Accessory Dwelling Units, 3 Units Affordable Restrictions	HOME/CDBG ADMIN	# of ADU Building Permits Issued	Housing	Availability/ Access

Consolidated Plan Priority	Objective Number	Objective Description	Sources of Funds	Indicator	HUD Objective	HUD Outcome
AH.5 Create New Affordable Live Work Units	AH.5(a)	60-100 Live Work Units	RDA	# of Units Assisted	Housing	Affordability
AH.6 Code Enforcement Program	AH.6(a)	Two Code Enforcement Officers	CDBG	# of Officers	Housing	Sustainability
	AH.6(b)	Participate in Clean-ups and Other Community Events	CDBG	# of Events	Housing	Sustainability
	AH.6(c)	Beat Health Program	CDBG	# of Targeted Properties	Housing	Sustainability
	AH.6(d)	Relocation Assistance as Needed	CDBG	# Households	Housing	Availability/ Access
AH.7 CHDO Capacity Building	AH.7(a)	Capacity of CACH	HOME	# Organization Assisted	Housing	Availability/ Access
	AH.7(b)	Development of Other Potential CHDO's	HOME ADMIN	Organizations Contacted (#)	Housing	Availability/ Access
AH.8 Implement and update required plans	AH.8(a)	Fair Housing Survey	HOME/CDBG ADMIN	# of Surveys	Housing	Availability/ Access
	AH.8(b)	Implement Analysis of Impediments to Fair Housing	HOME/CDBG ADMIN	# of Actions Implemented	Housing	Availability/ Access
	AH.8(c)	Updates of Analysis of Impediments to Fair Housing Choice and Housing Element	HOME/CDBG ADMIN	Analysis Updated	Housing	Availability/ Access
AH.9 Preserve/ Increase Inventory of Affordable Units	AH.9(a)	Manage the City's Existing Affordable Housing Inventory	HOME/CDBG ADMIN	Net Increase in # of Affordable Units	Housing	Affordability
	AH.9(b)	University of California Santa Cruz Joint Housing Activities	HOME/CDBG ADMIN	Joint Proposals with UCSC	Housing	Affordability
	AH.9©	Front and Cedar Streets	HOME/CDBG ADMIN	#Presentations for C/F Housing	Housing	Affordability

Consolidated Plan Priority	Objective Number	Objective Description	Sources of Funds	Indicator	HUD Objective	HUD Outcome
HO.1 Assist Homeless Individuals and Families	HO.1(a)	Homeless Services Center Funding - HCRS	CDBG	Homeless Individuals	Suitable Living Env.	Availability/ Access
		HSC funding - Riverstreet Shelter	CDBG	Homeless Individuals	Suitable Living Env.	Availability/ Access
	HO.1(b)	Soft Costs Emergency Family Housing Project	CDBG	Completion of Family Shelter	Suitable Living Env.	Availability/ Access
HO.2 Additional Facilities for Transitional and Permanent Housing	HO.2(a)	111 Barson	HOME/CDBG ADMIN	Completion of Units	Housing	Availability/ Access
	HO.2(b)	Identify Opportunity for Permanent Housing	HOME/CDBG ADMIN	Identification & Initiation of 10+ Unit Project	Housing	Availability/ Access
HO.3 Support for Homeless Resource Center	HO.3(a)	Shower/Hygiene Facility Improvements	CDBG	Completion of Hygiene Ctr	Suitable Living Env.	Availability/ Access
	HO.3(b)	Homeless Community Resource Center Improvements	CDBG	Complete Other Improvements	Suitable Living Env.	Availability/ Access
	HO.3(c)	HSC Phase II Master Plan	CDBG	Completion of Family Shelter	Suitable Living Env.	Availability/ Access
HO.4 Winter Shelter Program and Facilities	HO.4(a)	Plan for a Permanent Shelter Facility	HOME/CDBG ADMIN	Plan of New Shelter Complete	Suitable Living Env.	Availability/ Access
HO.5 Work to Improve Continuum of Care Process	HO.5(a)	Support Housing Objectives, Ten Year Strategic Plan	HOME/CDBG ADMIN	% Reduction in Homeless Count	Suitable Living Env.	Availability/ Access
	HO.5(b)	Homeless Person Counts	General Fund	Bi-annual count completed	Suitable Living Env.	Availability/ Access
	HO.5(c)	HAP Planning Efforts	HOME/CDBG ADMIN	# Committee Mtgs.	Suitable Living Env.	Availability/ Access
HO.6 Provide Rent Subsidies & Assistance	HO.6(a)	Emergency Rental Assistance	RDA	# households assisted	Housing	Availability/ Access
	HO.6(b)	Rental Deposit Assistance	RDA	# households assisted	Housing	Availability/ Access

Consolidated Plan Priority	Objective Number	Objective Description	Sources of Funds	Indicator	HUD Objective	HUD Outcome
CD.1 Community Services	CD.1(a)	- Familia Center	CDBG	# Assisted	Suitable Living Env.	Sustainability
CD.2 Non-profit Facility Development	CD.2(a)	Expansion of the Downtown Children's Center	CDBG	Completion of Improvements	Suitable Living Env.	Availability/ Access
	CD.2(b)	Construction or Rehabilitation of Facilities	CDBG	Project Identified & Funded	Suitable Living Env.	Availability/ Access
CD.3 Community Facility Development	CD.3(a)	Raymond Street Park	CDBG	Park Completed	Suitable Living Env.	Sustainability
	CD.3(b)	Other Park Development	CDBG	Identification of Park	Suitable Living Env.	Sustainability
	CD.3©	Tannery Arts Center	RDA; Tax Credit; CDBG	Completion of Center	Suitable Living Env.	Sustainability
CD.4 Infrastructure Improvements	CD.4(a)	Drainage Improvements	CDBG	# Projects	Suitable Living Env.	Sustainability
	CD.4(b)	Street & Sidewalk Improvements	CDBG	# Projects	Suitable Living Env.	Sustainability
CD.5 Economic Development	CD.5(a)	Development of New Jobs/Job Retention	RDA	# of businesses IDed to retain/ expand	Economic Opportunity	Availability/ Access
SP.1 Housing Options for Special Needs Population	SP.1(a)	Grace Commons	HOME	# Units	Housing	Availability/ Access
	SP.1(b)	Senior Network Services	CDBG	# Individuals Assisted	Housing	Availability/ Access
	SP.1©	Housing Options for Special Needs	CDBG/HOME Admin	# New Options	Housing	Availability/ Access

**ATTACHMENT E**

**CITY OF SANTA CRUZ HOME MATCH LOG FOR PY 2007-2008**

<b>YEAR</b>	<b>HOME MATCH LIABILITY</b>	<b>HOME MATCH CREDIT</b>
1995-96	\$112,500	\$1,333,533
1996-97	\$77,850	\$67,745
1997-98	\$83,250	\$23,500
1998-99	\$89,775	\$270,843
1999-2000	\$99,675	\$0
2000-01	\$99,650	\$0
2001-02	\$99,750	\$1,404,000
2002-03	145,500	\$261,917
2003-04	\$137,114	\$0
2004-05	\$69,146	\$0
2005-06	\$49,933	\$0
2006-07	\$1,047,560	\$25,000
2007-08*	\$140,000	\$0
2008-09'	\$1,296,920	\$460,000
<b>CUMULATIVE TOTALS</b>	\$2,718,623	\$3,846,538
<b>08' MATCH RESERVE*</b>		\$1,577,275

\* Estimated for Plan Year 2009-2010.

**2008-2009 Match Requirement Summary**

\$6,920	Increase in 1st time homebuyers loan
\$1,290,000	Mission Gardens Acquisition/Rehab Project
\$1,296,920	<b>Total</b>
\$324,230	<b>.25% Match Requirement</b>