CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)
2005-2006 Consolidated Plan Program Year
City of Santa Cruz

City Council:
Cynthia Matthews, Mayor
Ryan Coonerty, Vice Mayor
Timothy Fitzmaurice
Tony Madrigal
Emily Reilly
Mike Rotkin
Ed Porter

City Manager:
Richard C. Wilson

Department of Planning and Community Development:
Greg Larson, Director
Carol Berg, Housing and Community Development Manager
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EXECUTIVE SUMMARY

The City’s strategy for addressing housing and community development needs is contained in the five-year Consolidated Plan for the years 2005-2010 plus the annual Action Plans to implement the long-range strategy for each Program Year. The Consolidated Plan goals fall into four categories:

1. Affordable Housing
2. Homeless Housing and Support Services
3. Special Needs Population Housing
4. Non-Housing Community Development

Most of the activities in the 2005 Action Plan were accomplished or commenced. Major achievements included:

SUMMARY OF AFFORDABLE HOUSING PROJECTS AND ACTIVITIES

Production and Retention:

Preservation of “At-Risk” Housing (AH.1): The 72 unit Riverfront Apartment complex is considered the largest, most vulnerable project based Section 8 contract in the City. As a continuation a 2003 agreement which resulted in the first five year renewal for the project, in the 2005 Plan Year (PY) the City assisted the owners in purchasing additional parking for the complex. Staff continues to track other less vulnerable Section 8 projects to ensure their HUD contract renewals as well.

Homeownership Program (AH.2): Staff promoted the First Time Homebuyer program through a direct mailing to residents in targeted areas and the annual informational meeting for lenders and real estate agents. Three first time homebuyer loans were made during the 2005 Program Year.

Housing Rehabilitation Program (AH.3): Staff promoted this Program through a direct mailing to residents in targeted areas. One rehabilitation loan was made with $46,131 in state CalHome Program funds.

Create New Affordable Rentals (AH.4): 14 units of affordable rental housing were built under the City’s Inclusionary Zoning Ordinance and forty-four new accessory dwelling rental units were permitted as a part of the City’s ADU Program. Of these, three one bedroom units are income restricted to very low income tenants.

Create New Affordable Live/Work Housing (AH.5): As a part of the larger Salz Tannery Artist Village project, the City’s Redevelopment Agency is proceeding with plans for 100 units of affordable live/work artists’ housing.

Code Enforcement Program (AH.6): Code enforcement work continued in an expanded Target Area, handling 732 cases in the 2005 PY.

Preserve/Increase Inventory of Affordable Housing (AH.9): 14 units of affordable rental housing and 3 units of affordable ownership housing were built under the City’s
Inclusionary Zoning Ordinance while no affordable income restricted units were lost in the 2005 PY.

Planning and Administration for Affordable Housing

**CHDO Development (AH.7):** The Corporation for Affordable Community Housing (CACH) achieved CHDO status in 2005.

**Implementation of Housing Plans (AH.8):** Implementation of the 2003 Analysis of Impediments to Fair Housing and Housing Element proceeded. Ordinances to encourage the development of rental housing and small ownership units were initiated.

SUMMARY OF HOMELESS ASSISTANCE ACTIVITIES

**Assist Homeless Individuals and Families (HO.1):** Program support for the Homeless Community Resource Center & the River Street Homeless Shelter Support Services continued.

**Additional Facilities for Transitional and Permanent Housing (HO.2):** Construction of 13 units for the formerly homeless began at 111 Barson Street and the 14 units of the future Grace Commons project were designated as being targeted for the homeless.

**Support for Homeless Community Resource Center (HO.3):** Designs for Hygiene Center improvements were completed and Section 108 Loan application submitted.

**Winter Shelter Program and Facilities (HO.4):** The location for a 44 bed year round shelter was identified on the Homeless Services Center campus and plans initiated.

**Continuum of Care Work:** (HO.5): Staff continued to work with the County wide Housing Action Partnership (HAP) and took the lead on the newly formed Housing Sub-Committee.

**Rent Subsidies and Assistance:** (HO.6): Redevelopment Agency funded emergency rental through the Community Action Board for 43 households (62 individuals) and rental deposit assistance through the Housing Authority of Santa Cruz County for 41 persons, including 24 homeless individuals.

SUMMARY OF NON-HOUSING COMMUNITY DEVELOPMENT ACTIVITIES

**Community Services (CD.1):** Familia Center and the Beach Flats Community Center continued to be funded to provide programs to the low income areas south of Laurel Street (Beach Flats and Lower Ocean).

**Non-Profit Facility Development (CD.2):** The design phase for the proposed expansion of the childcare facilities at the Walnut Avenue Women’s Center continued.

**Community Facility Development (CD.3):** Design of Raymond Street Park was completed.

**Infrastructure Improvements (CD.4):** No projects were identified or funded.
Economic Development (CD.5): Redevelopment Agency continued to promote jobs through their business retention and creation efforts.

SUMMARY OF SPECIAL NEEDS POPULATION ACTIVITIES

Housing Options for Special Needs Population (SP.1): The Senior Network’s Shared Housing Program assisted 369 Santa Cruz seniors with housing concerns. The Grace Commons project for psychiatrically disabled received planning approval.
TARGET AREA:

In the 2004 Plan Year, the City expanded the program’s target area to include all low income areas in the City (See map below). The expanded target area continues to involve the Beach and South of Laurel Area (southern portion of Sub-Area 1) which is the lowest income area of the City, 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).
1. SUMMARY OF ACCOMPLISHMENTS

1a. Assessment of Programmatic Accomplishments for Goals of the Five Year Consolidated Plan

The following is a summary of resources and programmatic accomplishments and the status of actions taken during the year to implement the City's overall strategy.

PROJECT ACTIVITY NARRATIVE

The City accomplished several milestones and made significant progress on many project and programs during the past CDBG and HOME Program Year. Synopsis of the achievements funded with CDBG or HOME funds are:

PROJECTS AND ACTIVITIES COMPLETED 2005-2006 PROGRAM YEAR

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DESCRIPTION</th>
<th>ACCOMPLISHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeless Services Center (HSC)</td>
<td>Development &amp; Implementation of Phase II Master Plan for the HSC campus.</td>
<td>Plans for the Homeless Community Resource Center improvement project were completed.</td>
</tr>
<tr>
<td>Continuum of Care</td>
<td>In conjunction with County &amp; other jurisdictions, plan &amp; address homeless needs.</td>
<td>10 Year Plan Adopted by County and Cities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13 unit project at 111 Barson approved and funded.</td>
</tr>
</tbody>
</table>

NEW PROJECTS AND ACTIVITIES INITIATED AND PENDING 2005-2006 PROGRAM YEAR

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DESCRIPTION</th>
<th>ACCOMPLISHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raymond Street Park (Beach Flats Community Center)</td>
<td>Community park and garden at site of abandoned Community Center Trailer</td>
<td>Community workshops held and park plans developed with community input.</td>
</tr>
<tr>
<td>Walnut Ave. Woman’s Center Housing</td>
<td>Development of 2 apartment units over day care center.</td>
<td>Plans submitted to City; Construction Drawings out to bid.</td>
</tr>
</tbody>
</table>
CONTINUING PROJECTS AND ACTIVITIES  
2005-2006 PROGRAM YEAR

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DESCRIPTION</th>
<th>ACCOMPLISHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention of At Risk Units</td>
<td>Continued implementation of an agreement with Riverfront Apartments preserving 72 units.</td>
<td>RDA used condemnation proceedings to secure parking for Riverfront.</td>
</tr>
<tr>
<td>First Time Homebuyer Program</td>
<td>Provision of silent second mortgage funds for purchase in target areas</td>
<td>Continued program marketing and outreach to potential low-income homebuyers. (See additional narrative below.)</td>
</tr>
<tr>
<td>Unified Housing Rehabilitation Program</td>
<td>Rehabilitation of residential properties</td>
<td>Program continues. (See additional narrative below.)</td>
</tr>
<tr>
<td>Code Enforcement Program</td>
<td>Code Enforcement in expanded Target Area, focusing on preservation of housing stock.</td>
<td>36 citations issued; 245 cases closed; and 487 cases open/pending</td>
</tr>
<tr>
<td>Fair Housing Program</td>
<td>Implement recommendations from the 2003 Analysis of Impediments to Fair Housing Choice.</td>
<td>Amended zoning ordinance to require more units for disabled. (See below for additional narrative.)</td>
</tr>
</tbody>
</table>

ADDITIONAL PROJECT NARRATIVES:

FIRST TIME HOMEBUYER PROGRAM

Requests for Assistance: The City responded to approximately 120-150 requests for information about the program from low-income households, providing potential homebuyers with information regarding mortgage lending practices and real estate transactions as well as information about the City’s First Time Homebuyer (FTH) Program.

Program Activity: With the median level for home prices in Santa Cruz hitting a record high of $789,500 in November 2005 and closing the Plan Year in June 2006 at a still pricey $760,000, the City needed to combine programs to make ownership housing accessible for low income homebuyers. In recent past years, even with assistance the price restricted units created under the City’s inclusionary housing program are essentially
the only units within reach for low income buyers. Unlike many jurisdictions, inclusionary units are available for FTH Program participants.

In addition to allowing the combination of Programs, the City has developed a strategy to layer a series of silent second loan products. Under competitive funding programs, the City received several State grants and has worked with the California Housing Finance Authority (CalHFA) to qualify City residents for other CalHFA loan programs, including their primary first mortgage program. Although many of these products have additional restrictions, the City has been able to successfully layer loans to bridge the increasing gap for low income homebuyers. The silent second loan products include:

- **CalHome Grant Loans**, which are limited to specific low income areas of the City, are available from the City under a state grant.

- **BEGIN Loans** are available for up to $30,000 from the City for specific projects that have been qualified by the State to receive assistance.

- **California Homebuyer Downpayment Assistance (CHDAP) and Housing Assistance (CHAP) Programs** are available directly from the State for up to 3% of the purchase price or appraised value.

- **HOME/ADDI Loans**, are available from the City for properties located anywhere in the City. (Note: Since HOME funded loans are not geographically limited, when other loans may be used, HOME funding is the last source to be used.)

To familiarize lenders and real estate professionals with the FTH Program, the City holds an annual informational workshop. For the first time, staff organized a joint event with other jurisdictions in the County. Over 45 attended the workshop which was held in May 2006.

The City conducted direct outreach to lower income areas in the City, including Sub-Target Area 1 (Downtown, Beach Flats, & Lower Ocean neighborhoods) through two 3,538 household mailings which were completed in August 2005 and January 2006.

**Loan Activity:** During the 2004 and 2005 Program Years, a number of market rate rental units were converted into affordable ownership units under the City’s “Investominium” program. This provided an excellent opportunity for first time homebuyers. As a result of the increased outreach and unit availability, three first time homebuyer loans were made, one of which was to a Section 8 voucher tenant.

**UNIFIED HOUSING REHABILITATION PROGRAM**

**Program Activity:** During the 2005 Program Year, the City of Santa Cruz continued efforts to identify potential owner-occupied and rental rehabilitation projects. The 3,538 household mailings mentioned above also included information on the Housing Rehabilitation Program. In addition, the City applied for and received a CalHome grant for $140,000 for the Rehabilitation Program.

**Rehabilitation Loan Activity:** As a result of the direct outreach, one homeowner rehabilitation loan was made during the Program Year. As is consistent with the strategy to use more restrictive funding first if possible, CalHome grant funds were used for this loan.
HOMELESS SERVICES CENTER

The Homeless Services Center (HSC) continues to provide coordinated services for the homeless. The 2005 PY was the first full year of operation. The Shelter has served 81 families and 81% of the families who completed the program successfully moved into permanent housing. Page Smith Community House provided 12,622 nights of transitional housing and 90% of the people graduating from the program found housing. In addition Interfaith Satellite Shelter Program (ISSP) provided 25,825 nights of emergency shelter at local churches and at the National Guard Armory.

The HSC kitchen created a record number of 182,721 meals including 136,841 meals for the Homeless Community Resource Center and 45,880 meals for the Family Shelter. The Resource Center's hygiene bay provided clients an opportunity to take 19,908 showers and wash and dry 7,490 loads of laundry. Nearly 230 clients searched for work and received food stamps through the HSC Food Stamp Employment and Training Program.

PUBLIC SERVICES ACTIVITY NARRATIVE

PUBLIC SERVICE ACTIVITIES
2005 PROGRAM YEAR

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DESCRIPTION</th>
<th>ACCOMPLISHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Familia Center</td>
<td>Neighborhood social services center.</td>
<td>1222 unduplicated clients served, exceeding established 2005/06 goal.</td>
</tr>
<tr>
<td>Senior Shared Housing Program</td>
<td>Housing match, placement and referral program for income eligible seniors.</td>
<td>Exceeded 2005/06 goal for number of unduplicated clients served (369), housing matches made (14), and home visits made (27).</td>
</tr>
<tr>
<td>River Street Homeless Shelter</td>
<td>Overnight shelter for homeless persons.</td>
<td>313 unduplicated clients served.</td>
</tr>
<tr>
<td>Homeless Community Resource Center</td>
<td>Day use and resource facility for homeless persons.</td>
<td>1,182 unduplicated clients served.</td>
</tr>
</tbody>
</table>
ADDITIONAL PUBLIC SERVICE PROJECT NARRATIVES:

During the 2005 PY, adjustments were made in many programs to synchronize reports with the new HMIS data base. When applicable, the revised objective is listed following the original objectives. Only the revised objective will be reported.

HOMELESS COMMUNITY RESOURCE CENTER (HCRC)

Objective #1: Provide a minimum of 80,000 meals, breakfast and dinner 7 days per week.

Outcome: The HCRC kitchen served 182,721 meals in FY 05-06.

Objective #2: Provide a minimum of 20,000 showers with shower facilities available 70 hours per week.

Outcome: The hygiene bay provided 19,908 showers, nearly 100% of the goal for PY 2005.

Objective #3: Provide a minimum of 8,000 loads of laundry per year with laundry facilities available 70 hours per week.

Outcome: 7,490 loads of laundry were provided to clients which is 94% of the goal for PY 2005.

Objective #4: To enroll a minimum of 300 persons in case management with Advocacy Case Management staff available 40 hours per week.

Outcome: 229 persons were enrolled in Advocacy Case Management which is 76% of the goal for PY 2005. Many of the clients have found jobs through their FSET job search and others received training while doing volunteer work at HCRC and other community organizations.

RIVER STREET SHELTER PROGRAM

River Street Shelter, which is operated by the Santa Cruz Community Counseling Center, provides 32 beds of emergency shelter for homeless adults in the City of Santa Cruz, including 19 beds reserved for persons with mental illness. In the 2005 PY, the River Street Shelter achieved 96% of its goal for total days of service provided. The following highlights the achievements of the past year.

Goal: To provide shelter and support to the homeless adult men and women.

Objective 1: Provide 10,512 person shelter days (PSDs), 6,307 (60%) of which will be provided to shelter clients with psychiatric disabilities, and 1,367 (13%) of which will be provided to shelter clients who are Latino.

Revised Objective: Provide 10,512 person shelter days (PSDs), of which 60% of intakes will be to people living with psychiatric disabilities, and 13% of intakes will be provided to Latinos.
2005 Plan Year Outcome: 10,081 (96% of goal) PSDs were provided. 53% of PSDs were provided to shelter clients with psychiatric disabilities, and 15% were provided to shelter clients who are Latino.

**Objective 2:** Make 300 referrals to connect shelter clients to health, mental health, and chemical dependency resources. Objective re-established at 75%

Revised Objective: 75% of discharged clients will receive a referral to a health, mental health or chemical dependency resource.

2005 PY Outcome: 58% of discharged clients will receive a referral to a health, mental health or chemical dependency resource. This lower percentage is thought to be a result of the change in counting where more clients already had benefits than anticipated. This goal will be re-evaluated in future applications.

**Objective 3:** Provide 120 referrals to shelter clients to obtain entitlements and related advocacy services.

Revised Objective: 75% of discharged clients will receive a referral to obtain entitlements and related advocacy services.

Year to Date Outcome: 23% of discharged clients were referred for entitlements and related advocacy services. This lower percentage is thought to be a result of the change in counting where more clients already had submitted applications than anticipated. This goal will be re-evaluated in future applications.

**Objective 4:** Help 118 shelter clients obtain housing.

2005 PY Outcome: 75 shelter residents (64% of goal) were about to obtain housing with SCCCC help. Low income housing is scarce in Santa Cruz so housing is a difficult goal to achieve. Nevertheless, Program staff continue to strive to meet this goal.

**SENIOR NETWORK HOUSING PROGRAM**

Senior Network's Housing Program has completed its 21st year of service to the residents of the City of Santa Cruz. The program provides detailed information and counseling to seniors regarding housing options available in Santa Cruz County and operates a shared housing program. Assistance is provided over the telephone or in person at one of the Senior Network offices or in a client's home. Services are provided in English and Spanish.

Seniors seeking housing are given personal attention to evaluate their housing needs. Once their needs have been clarified, Housing Program staff provide detailed information about the types of housing available throughout the county. Clients are referred to various sources of housing, including housing complexes, separate units (apartments, mobile homes, or cottages), residence hotels and the shared housing program.

In the 2005 PY, Senior Network Services exceeded its goals for serving City of Santa Cruz residents.
Goal: To provide the elderly with affordable/low cost housing, to provide the elderly with housing counseling and information, and to enable the elderly to remain living at home.

Objective 1: 240 City of Santa Cruz residents will be counseled and given information regarding their housing situations.

2005 PY Outcome: 369 City of Santa Cruz residents were assisted.

Objective 2: 10 City of Santa Cruz residents will be placed in a housing match.

2005 PY Outcome: 14 City of Santa Cruz residents were placed in a housing match.

Objective 3: 18 home visits will be made to residents of the City of Santa Cruz.

2005 PY Outcome: 27 home visits were made to residents of the City of Santa Cruz.

Objective 4: 95% of City of Santa Cruz residents served will have very-low to moderate incomes.

2005 PY Outcome: 99% of City of Santa Cruz residents served have very-low to moderate incomes

FAMILIA CENTER PROGRAM

Familia Center is the only Latino community-based family resource center serving low income residents in the City of Santa Cruz. The mission of Familia Center is to promote a sense of empowerment to those who struggle with poverty, exclusion, and racism. They assist families and children to meet their human needs through advocacy, crisis intervention, enrichment, information, referral, and follow-up.

Community Services Include:
- Community Information & referral
- Case management
- Food and clothing distribution
- Neighborhood clean ups
- Cultural events
- Assistance with citizenship
- Summer lunch program
- Annual health fair
- Spanish language interpretation
- Home visitation program
- Field trips- nature trips, holidays

Education Services Include:
- Leadership, education, art, and sports activities for youth
- English literacy program for youth
- ESL classes
- Education workshops
- After-school tutoring
- Parent education

Goal: To assist and support low-income and Latino residents to achieve and/or maintain a safe and healthy life.

Objective 1: To provide 200 Hours of outreach to low-income and Latino residents of the Beach Flats, River Flats/Lower Ocean Street neighborhood and the broader City of Santa Cruz Community.
2005 PY Outcome: 610 hours (305% of goal) of outreach were provided. Outreach was conducted for the following areas, services, and workshops:

- Summer Lunch
- Summer FUN Recreation program
- Healthy Kids insurance
- Food Stamps
- Volunteer recruitment
- Pantry Food distribution

**Objective 2:** To provide 400 hours of referral, advocacy, information and follow-up services for low-income Latino and city residents.

2005 PY Outcome: 3384 hours (846% of goal) of service were provided.

**Objective 3:** To provide services to 600 City low-income and Latino residents for basic needs, support programs, educational and enrichment services on and off-site.

Year to Date Outcome: 900 individuals (150% of goal) received services. Notable activities included:

- Two food and clothing distributions were conducted on June 14th and 28th, serving a total of 9 unduplicated households (a total of 254 individuals).
- 427 lunches were served to neighborhood children in the Summer Lunch Program.
- Summer Recreation Program began on June 19th for children 6-9 year old, which included visits to;
  - Ocean View Park
  - The Mystery Spot
  - Simpkins Family Swim Center
  - Santa Cruz Mission Park
  - Santa Cruz Roller Rink
  - Cuentos/Story Time Read To Me by the SCPL for children 0-5 was initiated. In the 2005 PY, 3 children attended the first session on June 29, 2006.
  - 50 people participated in an end of the school year barbeque for parents and students.
  - Volunteer appreciation party was held on May 12, 2006.

**Objective 4:** To promote healthy and safe lifestyle models and activities that will help enrich self-esteem and establish a sense of community pride to 50 low-income Latino youths.

2005 PY Outcome: 99 youth (19% of goal) have been enrolled.

**Objective 5:** To provide 400 hours of tutorial, educational, recreational and enrichment programs to low-income youth from July 1, 2005 through June 30, 2005.

2005 PY Outcome: 2958 hours (739% of goal) were provided
## HUD Statistical Summary Tables of Annual Accomplishments

### Summary of Households/Units Assisted with HOME or CDBG Funds

#### 2005 Plan Year

<table>
<thead>
<tr>
<th>PRIORITY NEED CATEGORY</th>
<th>ACTUAL HOUSEHOLDS/UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RENTERS:</strong></td>
<td></td>
</tr>
<tr>
<td>0 - 30% of MFI</td>
<td>0</td>
</tr>
<tr>
<td>31 - 50% of MFI</td>
<td>0</td>
</tr>
<tr>
<td>51 - 80% of MFI</td>
<td>0</td>
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<tr>
<td>Total Renters:</td>
<td>0</td>
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<tr>
<td><strong>OWNERS:</strong></td>
<td></td>
</tr>
<tr>
<td>0 - 30% of MFI</td>
<td>0</td>
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<td>31 - 50% of MFI</td>
<td>0</td>
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<tr>
<td>51 - 80% of MFI</td>
<td>0</td>
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<tr>
<td>Total Owners:</td>
<td>0</td>
</tr>
<tr>
<td><strong>HOMELESS</strong>:</td>
<td></td>
</tr>
<tr>
<td>Individuals</td>
<td>NA</td>
</tr>
<tr>
<td>Families</td>
<td>NA</td>
</tr>
<tr>
<td>Total:</td>
<td>0</td>
</tr>
<tr>
<td>Non-Homeless Special Needs</td>
<td>0</td>
</tr>
<tr>
<td>Total Homeless:</td>
<td>0</td>
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<tr>
<td><strong>TOTAL HOUSING</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL 215 HOUSING</strong></td>
<td>0</td>
</tr>
</tbody>
</table>

* Homeless families and individuals assisted with transitional and permanent housing
## Summary of Households/Units Assisted
### 2005 Plan Year

<table>
<thead>
<tr>
<th>RACE</th>
<th>TOTALS BY RACE</th>
<th>TOTAL ETHNICITY (Total # of each racial type who are also Hispanic Ethnicity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Black or African American</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Native American or Alaska Native</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Native Hawaiian or other Pacific Islander</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Asian</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Black or African American and White</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Native American or Alaska Native and White</td>
<td>0</td>
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<td>Native Hawaiian or other Pacific Islander and White</td>
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<td>Asian and White</td>
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<tr>
<td>Other</td>
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<td>0</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>
### SUMMARY OF COMMUNITY DEVELOPMENT ACCOMPLISHMENTS

For Public Services  
Program Year 2005

<table>
<thead>
<tr>
<th>Priority Need Category</th>
<th>Actual # of Persons Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Services</td>
<td>1,342</td>
</tr>
<tr>
<td>Senior Services</td>
<td>357</td>
</tr>
<tr>
<td>Handicapped Services</td>
<td>0</td>
</tr>
<tr>
<td>Youth Services</td>
<td>0</td>
</tr>
<tr>
<td>Transportation Services</td>
<td>0</td>
</tr>
<tr>
<td>Substance Abuse Services</td>
<td>0</td>
</tr>
<tr>
<td>Employment Training</td>
<td>0</td>
</tr>
<tr>
<td>Crime Awareness</td>
<td>0</td>
</tr>
<tr>
<td>Fair Housing Counseling</td>
<td>162</td>
</tr>
<tr>
<td>Tenant/Landlord Counseling</td>
<td>5</td>
</tr>
<tr>
<td>Child Care Services</td>
<td>0</td>
</tr>
<tr>
<td>Health Services</td>
<td>0</td>
</tr>
<tr>
<td>Other Public Services (Homeless)</td>
<td>2,125</td>
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Program Year – 2005

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In Program Year 2003-2004, the City completed the Analysis of Impediments to Fair Housing Choice (AI) which was written by the consulting firm of Cotton Bridges, Inc. The AI provides an overview of the laws, regulations, conditions or other possible obstacles that may affect access to housing.

Overall findings in the AI demonstrated that the City does not have any major fair housing issues. The AI states that, “The City permits a wide range of conventional single- and multi-family housing. The City’s policies have also been successful in facilitating and encouraging a broad range of special needs housing for homeless people, residential care facilities, alcohol and drug rehabilitation homes, senior housing, and assisted living.” Furthermore, “The City clearly has a demonstrated history of facilitating and encouraging the development of emergency shelters, transitional housing, and permanent supportive housing.” The AI also states “the City’s construction, rehabilitation, and access standards are more progressive than most jurisdictions”.

Nonetheless, the AI consultant made a number of recommendations which were subsequently summarized in an action plan by City staff. Each year, the City reviews and updates the AI action plan, summarizing factors affecting AI recommendations and tracking the progress being made toward implementation. The following is a summary of recommendations, achievements, and on-going activities.

**AI RECOMMENDATION 1.1:** Clarify the definition of an emergency shelter and transitional housing, designate zones where such facilities are allowed, and specify the permitting process for such if required by HCD.

**Achievement:** Although, the City of Santa Cruz Zoning Ordinance (Title 24) does not specifically identify either transitional housing or emergency shelters as distinct uses, the Director of the Planning and Community Development Department has determined that Title 24 provides for both types of uses in the existing zoning codes, as follows:

- Since transitional housing is considered to be similar to a resident hall or boarding house, the same zoning requirements apply. Therefore transitional housing is allowed in R-1 zones as an accessory to a church and in RL or RM zones, subject to an administrative use permit.

- The current Emergency Shelter system utilizes satellite churches and the Santa Cruz Armory. The Armory, as a state facility, is exempt from city land use requirements and emergency shelter use in satellite churches is considered an accessory to the church, and is therefore allowed. The Homeless Services Center also provides emergency shelter under use permits in the CC and IG Districts.

**AI RECOMMENDATION 2.1:** Update density bonus and accessory dwelling unit ordinance to comply with state law pursuant to AB1866.

**Ongoing Activities:** The City has a pro-active Accessory Dwelling Unit (ADU) Program that encourages the development of ADUs, including special provisions in the
zoning code that reduce parking requirements for ADUs. In 2004, the City of Santa Cruz City Council adopted an additional amendment to the City’s Zoning Ordinance to provide for ministerial approval of ADUs, in compliance with AB1866. The City of Santa Cruz currently has a policy in the General Plan that encourages development of housing at the highest density range under the City’s Zoning Ordinance. In PY 2005, the City drafted a new Density Bonus Ordinance to be in compliance with State law.

**AI RECOMMENDATION 3.1:** Examine feasibility of developing building and design standards for more common types of special needs housing.

**Achievement:** To further remove impediments to fair housing choice, in 2005 the City passed revisions to the zoning ordinance requiring that a proportionate share (at least 1 in 25 units with a minimum of 1 unit) be adaptable for roll-in showers to better support the needs of disabled citizens of our community. In buildings less than twenty-five units, only the floor space necessary to encase a roll-in shower, which is readily convertible, is required to be designed into the structure. Complexes in excess of twenty-five units should actually have at least one unit in twenty-five completed with a roll-in shower in place. Additionally, any apartment building or condominium complex constructed after March 13, 1991 that undergoes significant modifications in remodels and additions will be required to install a proportionate amount of roll-in showers.

**Ongoing Activities:** The City of Santa Cruz has substantial flexibility in construction design. The Chief Building Official can make modifications to the City codes “for cause”. This means that almost any modification is possible as long as the development conforms to basic health and safety standards, seismic zone 4 standards, and state energy conservation requirements. Modifications are made on a case-by-case basis.

**AI RECOMMENDATION 4.1 – 4.2:** Require fair housing groups receiving City funds to provide fair housing services, to submit reports detailing statistical information on clientele and the services provided. Work with other Santa Cruz County jurisdictions to provide funding to the District Attorney to staff and manage the fair housing hotline.

**Ongoing Activities:** The City has initiated dialogues with service providers concerning better reporting and continues to work to identify gaps in fair housing assistance programs.

**AI RECOMMENDATION 5.1:** Examine feasibility of a basic accessibility construction or visitability ordinance that incorporates universal address design concepts and provides development incentives to encourage accessible housing.

**Ongoing Activities:** The City of Santa Cruz now requires all new developments to provide wide door widths throughout a home to accommodate wheel chair accessibility.

**AI RECOMMENDATION 5.2:** Work with the County Housing Authority to make a list of affordable housing units accessible to disabled persons.

**Note:** Although this recommendation implies a countywide list be prepared, at this time the City is only considering compiling a list for this jurisdiction. Due to the shortage of staff, it is anticipated that this list will not be initiated until 2007.
FAIR HOUSING SERVICES PROVIDED IN THE 2005 PLAN YEAR

The City of Santa Cruz provides funding for a number of non-profit organizations to assist residents in fair housing matters. The following are the primary organizations that provide full assistance:

CALIFORNIA RURAL ASSISTANCE LEAGUE (CRLA)

CRLA is the primary subcontractor providing fair housing assistance for the City of Santa Cruz. Services are provided to low-income residents. Specific services include:

- Maintains Housing Advisory Hotline.
- Files housing discrimination complaints based upon various classes of disabilities.
- Conducts community outreach/education re: Fair Housing laws.
- Provides housing advocacy services.

In the 2005 PY, CRLA served 162 City residents, primarily providing advice and counsel 70, brief service 80, and assisted in negotiating 5 settlements, with or without litigation. City assistance in the 2005 PY was $99,164 from the General Fund. (Note: After reviewing a case, CRLA may also refer cases to HUD or to the State for further assistance or action.)

SENIOR CITIZENS LEGAL SERVICES

CRLA refers seniors to Senior Citizens Legal Services. They provide similar advocacy services to seniors including counseling, mediation, and litigation if necessary. Key issues are evictions or problems that might lead to eviction. In the 2005 PY, the City provided $20,379 in funding from the General Fund.

SANTA CRUZ DISTRICT ATTORNEY

Consumer Affairs & Environmental Protection Division (County-wide office, not funded directly by the City of Santa Cruz) of the District Attorney’s office provides a number of services including telephone counseling, complaint mediation, landlord tenant information, and a referral service to other agencies. Approximately 600 to 900 calls are received each month. (Records do not separate City calls from others in the County.) The office is funded by the County.

OTHER ORGANIZATIONS

Additionally, the following organizations provide limited assistance as a part of larger programs serving specific populations. All of the following organizations except the Central Coast Center for Independent Living (CCCIL) are partially funded with CDBG funds. CCCIL received $6,030 from the General Fund. None of these organizations provide legal counsel.

- Central Coast Center for Independent Living (serves the disabled population)
- Santa Cruz Community Counseling Center (serves those with mental illness)
- Familia Center (primarily serves the Hispanic population)
- Senior Network Services (serves seniors)
OTHER ACTIONS TO FURTHER FAIR HOUSING

As housing prices outstrip the abilities of even moderate income households to purchase homes, provision of adequate rental housing is critical, becoming increasingly more important for moderate, low, and very-low income households. Even though the best way to ensure the affordability of housing is to income restrict units, substantial subsidies are needed to do this. Therefore in addition to funding income restricted units to the extent possible, the City of Santa Cruz strives to create more rental housing in general to meet market need and therefore keep market rate housing affordable as well. To this end, the City has been actively promoting rental housing development by working with developers to change zoning codes to provide incentives for rental housing development.

In addition, the City continues to promote development of accessory dwelling units (ADUs) to increase the amount of rental housing in the City. During the 2005 PY about 44 building permits were issued for ADUs, 4 of which are affordable to very low income households.

1c. A Summary of Affordable Housing Accomplishments

A. HOUSING PROGRAMS/ POLICIES

Target Areas

During the first four years of the 2000-2005 Consolidated Plan, the City focused programs and funding for programs in the Beach/South of Laurel Target Area. During this time, the City actively pursued a housing strategy that was developed in 1997 as a part of the “Beach and South of Laurel Comprehensive Area Plan”.

In January of 2004, the City expanded the Target Area for Code Enforcement Activities and in the 2005-2010 Consolidated Plan, identified this expanded area as the new Target Area.

Five strategic components for the expanded Target Area continue to be carried out in PY 2005, including:

(1) Conservation and Rehabilitation of Existing Housing Stock

Conservation and rehabilitation of the existing housing stock has a two part strategy, including:

- Rehabilitation: Identifying properties that would benefit from rehabilitation efforts and property owners interested in pursuing loans from the City’s Unified Housing Rehabilitation Program is critical to this strategy. With the intent to benefit the maximum number of people, in past years the City’s rehabilitation Program has focused on multi-family projects. Staff has continued to work with owners of Garfield Park, which consists of 100 units of senior housing to do a
potential rehabilitation project. Although no activity occurred in this year, it is expected that there will be more activity next year.

To identify homeowners that may be interested in rehabilitating their homes, the City has been conducting a series of informational mailings to homeowners in targeted areas. In August 2005 and January 2006 over 3,500 letters were sent to homeowners in each mailout. As a result, over the year there were about 25 inquiries for information and one loan was made.

- **Code Enforcement:** The City’s Code Enforcement Program is a key component of the goal to conserve and rehabilitate existing housing stock. Over the last few years, Code Enforcement has made great strides in improving housing in Sub-Target Area 1. The area’s worst properties have either been cleaned up or demolished and replaced with new housing. Over 245 cases were closed during the 2005 PY and 36 citations were issued.

**(2) Homeownership Incentives**

Because the gap between market rate housing is so large, the City’s inclusionary units are essentially the only units within reach of low income households. Although these units are available to low and moderate income households, to help the low income households, the City provides silent second mortgages.

To help inform potential homebuyers about the City’s First Time Homebuyer program and availability of inclusionary units, the City sent information directly to residents in the Sub-Target Area 1.

**(3) New Construction of Affordable as well as Non-Subsidized Units**

Planning efforts for two new housing projects came to fruition in PY 2005. Although HOME or CDBG funds were not directly used in the creation of 13 units of affordable housing, (11 rehabilitation and 2 new units) at 111 Barson, staff supported with CDBG/HOME administration funding played an integral part in getting the project approved. Construction began in the PY 2005 and is expected to be completed in PY 2006. This project is located in Sub-Target Area 1.

The second project, which will be funded with HOME funds, is the 14 unit Grace Commons Project. Construction plans were completed in PY 2005 and construction will begin in PY 2006. This project is located one block west of Sub-Target Area 2.

In addition, under the City’s Inclusionary Affordable Housing Program, in PY 2005 14 units of new affordable rental and 2 units of new affordable ownership housing were built.
(4) Targeting of Financial and Technical Assistance Resources

Although both the FTH and Rehabilitation Programs are available city wide, outreach has been targeted for the low income target areas in the City through a direct mailing, which informed property owners about the availability of funding.

(5) Replacement Housing and Relocation Assistance

Relocation Assistance: The City of Santa Cruz requires that any low income households that will be displaced for development of new housing receive relocation assistance. In addition, the City provides for potential relocation assistance to households that are impacted by Code Enforcement actions. Although no funds were used in the 2005 PY, $7,500 in HOME funds remain available for this relocation assistance.

Replacement Housing: The City continues to have a replacement housing requirement for any units occupied by low income households. This requires 100% replacement with new income restricted units for any demolished units in the Beach Flats area (Sub-Target Area 1) previously occupied by low income households by new income restricted units. A 50% replacement requirement is in effect elsewhere in the City.

(6) Public Housing

The Housing Authority of the County of Santa Cruz oversees public housing throughout the County, including within the City of Santa Cruz. The Housing Authority currently does not have any plans to develop additional public housing projects but is focused on maintaining its existing housing, including helping the City of Santa Cruz preserve "at-risk" project based Section 8 Program housing. Given that public housing projects within the City of Santa Cruz are typically small and scattered, the Housing Authority involves residents through individual tenant meetings at each public housing site. In addition a public housing resident is included on their Resident Advisory Board.

COMPARISON OF GOALS V. ACCOMPLISHMENTS

Priority: Affordable Housing (AH)

The provision of affordable housing is the most significant housing need in Santa Cruz. It is the goal of all programs to strive to provide for retention and increased production of affordable housing units and projects. Outlined below are the specific implementation strategies and goals related to the provision of affordable housing as established in the City’s 2005-2010 Consolidated Plan and the 2005-2006 One Year Action Plan. A summary of the City’s progress toward accomplishing these goals during this reporting period follows.

AH.1 -- Preservation of At Risk Housing: Identify at-risk housing units and either work with owners to ensure units remain affordable to extremely low, very low and low-income households or, if feasible, assist non-profit or resident owners to acquire and rehabilitate, as needed, at risk housing units.

AH.1 (a): Continue to work with Riverfront Apartment Associates to preserve 72 units of affordable housing, providing support for HUD Section 8 contract renewal. (Contract expires in 2008)
Performance Measurement Objective and Outcome

- Objective: Decent Housing (#2)
- Outcome: Availability/Accessibility (#1)

Accomplishments

The City’s most vulnerable and significant “at risk” property is the 72 unit Riverfront Apartment complex. In 2003, the City successfully negotiated and agreement with the owner to renew the Section 8 project contract with HUD. As a part of the negotiations, the City made a number of commitments, which the City continues to implement. In the 2005 PY, the City’s Redevelopment Agency initiated use of condemnation proceedings to purchase a parking easement on property owned by PG&E adjacent to Riverfront Apartments. Completion of this task is anticipated in PY 2006. This is the last City commitment from the 2003 agreement.

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.

Performance Measurement Objective and Outcome

- Objective: Decent Housing (#2)
- Outcome: Availability/Accessibility (#1)

Accomplishments

The City continues to track units that are “at risk” of converting to market rate housing. No affordable units were lost in the 2005 PY.

AH.2 Homeownership Program

Provide home ownership opportunities for moderate, low, and very low income households.

AH.2 (a): Assist 3 low and/or moderate-income households to prepare for homeownership and/or purchase a home.

Performance Measurement Objective and Outcome

- Objective: Decent Housing (#2)
- Outcome: Affordability (#2)

Accomplishments

Three households were assisted with silent second FTH loans, one of which also participated in the Section 8 Homeownership Voucher Program.

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

Performance Measurement Objective and Outcome

- Objective: Decent Housing (#2)
- Outcome: Availability/Accessibility (#1)

Accomplishments
Staff worked with owners of two projects to successfully enroll them in the State’s BEGIN Program for first time homebuyer funding.

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

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
- Outcome: Affordability (#2)

**Accomplishments**
The City conducted direct outreach to lower income areas in the City, including Sub-Target Area 1 (Downtown, Beach Flats, & Lower Ocean neighborhoods) through two 3,538 household mailings which were completed in August 2005 and January 2006. City of Santa Cruz HCD staff also continued to maintain the Housing and Community Development Division website which contains has information concerning the First Time Homebuyer Program as well as other affordable housing programs and services.

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

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
- Outcome: Affordability (#2)

**Accomplishments**
In October 2005, the City applied for $500,000 in State a grant from the State under the CalHome Program. These funds could be used for first time homebuyer or rehabilitation programs. The application was not successful.

**AH.3 Housing Rehabilitation Program** Provide loans and/or grants for rehabilitation of residential units, with an emphasis on multi-family properties with low income tenants.

**AH.3 (a):** Assist in rehabilitation of 5-10 units for extremely low, very low and low-income households.

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
- Outcome: Affordability (#2)

**Accomplishments**
One household was assisted using State CalHome grant funds.

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

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
- Outcome: Affordability (#2)

**Accomplishments**
In October 2005, the City applied for $500,000 in State a grant from the State under the CalHome Program. These funds could be used for first time homebuyer or rehabilitation programs. The application was not successful.

**AH.4 Create New Affordable Rental Housing Units**  Assist in the development of new rental housing with a focus on smaller unit development.

**AH.4 (a):** Help fund development of 10 to 15 units for the adults with psychiatric disabilities (Grace Commons, 1035 Cayuga Street) with the CHDO, Corporation for Affordable Community Housing (CACH).

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
- Outcome: Availability/Accessibility (#1)

**Accomplishments**
HOME funding was approved in the 2005 and 2006 Annual Action Plans. CACH has completed development plans and secured approvals. Construction of the 15 unit project, (14 affordable units and 1 managers unit), is scheduled to begin in the fall of 2006.

**AH.4 (b):** Help fund 2 apartments for very-low income households with the Walnut Avenue Woman’s Center.

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
- Outcome: Availability/Accessibility (#1)

**Accomplishments**
HOME funding has been approved and plans have been completed. Construction is scheduled to begin in the 2006 PY.

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

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
- Outcome: Affordability (#2)

**Accomplishments**
Staff worked with the Housing Authority of Santa Cruz County on the potential purchase of one or two projects (11 and 13 units) that are currently affordable under HUD’s Mod/Rehab Program but that affordability will expire within two years. A dialogue with the owners has been initiated.

**AH.4 (d):** Work with for-profit developers or rental property owners to partially fund or “buy down” new or existing units within a rental project to record affordable housing deed restrictions, reserving the units for very low and low income households.

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
• Outcome: Affordability (#2)

Accomplishments
In the 2005 PY, staff worked with the for profit developer, Easy Access Development, to fund a portion (14-15 units) of a 36 unit rental project. The most of the 14 or 15 units would be affordable to extremely low income households with a preference given to those with mobility disabilities.

AH.4 (e): Achieve an annual goal of developing of 30-50 accessory dwelling units (ADUs), to be measured by the number of building permit applications, and target at least 3 units to have affordable restrictions for low income households.

Performance Measurement Objective and Outcome
• Objective: Decent Housing (#2)
• Outcome: Availability/Accessibility (#1)

Accomplishments
In the 2005 PY, 44 building permits were issued for ADUs and three units were income restricted to be affordable to very low income households.

AH.5 Create New Affordable Live/Work Housing Under the City of Santa Cruz Redevelopment Agency (RDA), develop “live/work” housing units affordable to low income tenants.

AH.5 (a): Assist 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.

Performance Measurement Objective and Outcome
• Objective: Decent Housing (#2)
• Outcome: Affordability (#2)

Accomplishments
In the 2005 PY, RDA purchased the historic Salz Tannery site, began demolition of non historic structures, and with Art Space as the developer, secured additional State funding. 100 units of affordable artist live/work space is scheduled to be developed. To date, no HOME or CDBG funding has been allocated to the project.

AH.6 Code Enforcement Program Support code enforcement activities in the Target Areas.

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

Performance Measurement Objective and Outcome
• Objective: Decent Housing (#2)
• Outcome: Sustainability (#3)

Accomplishments
In the 2005 PY, code enforcement work continued in the Target Areas with two officers. 732 cases were handled in the 2005 PY.
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.

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
- Outcome: Sustainability (#3)

**Accomplishments**
In the 2005 PY, code enforcement staff participated in four clean-ups, two in both the Lower Ocean and Beach Flats neighborhoods and two community events (Day of the Child and National Night Out in Beach Flats).

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.

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
- Outcome: Sustainability (#3)

**Accomplishments**
In the Target Areas there were six coordinated efforts to eradicate problems areas including 2 in the Lower Ocean Neighborhood (Broadway; Clay Streets) and four in the Beach Flats neighborhood (Second, Raymond, Riverside, and Leibrandt).

AH.6 (c): Provide funding for relocation assistance as needed in connection with code enforcement activities.

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
- Outcome: Availability/Accessibility (#1)

**Accomplishments**
$7,500 continues to be available for relocation assistance on an as needed basis. No funds were used in PY 2005.

**AH.7 CHDO Capacity Building** Continue to develop the capacity of existing Community Housing Development Organizations (CHDOs) and help foster new CHDOs as appropriate.

AH.7 (a): Continue to develop the capacity of Corporation for Affordable Community Housing, (CACH), supporting the development of the Grace Commons Project.

**Performance Measurement Objective and Outcome**
- Objective: Decent Housing (#2)
- Outcome: Availability/Accessibility (#1)

**Accomplishments**
CHDO status was achieved by CACH in 2005. HCD staff continued to work with the organization to support the Grace Commons Project.

AH.7 (b): In the next five years, encourage and foster the development of other potential CHDOs in the Santa Cruz area when appropriate.
Performance Measurement Objective and Outcome
- Objective: Decent Housing (#2)
- Outcome: Availability/Accessibility (#1)

Accomplishments
No additional CHDOs were developed in the 2005 PY.

AH.8 Implement and Update Required Plans
When appropriate, update the City’s Analysis of Impediments to Fair Housing Choice and Housing Element and implement recommendations in these Plans.

AH.8 (a): Complete a survey of fair housing assistance providers to identify gaps in Fair Housing Assistance Program and sponsor a workshop to develop a strategy to improve coordination between providers and the City by the end of 2006.

Performance Measurement Objective and Outcome
- Objective: Decent Housing (#2)
- Outcome: Availability/Accessibility (#1)

Accomplishments
Survey was initiated but not yet completed.

AH.8 (b): Over the next five years, continue to implement recommendations of the City’s most current Analysis of Impediments to Fair Housing Choice and Housing Element.

Performance Measurement Objective and Outcome
- Objective: Decent Housing (#2)
- Outcome: Availability/Accessibility (#1)

Accomplishments
In PY 2005, Housing Element recommendations to review regulations to look for barriers to rental housing development were achieved. As a result, the City is proceeding with creating incentives to develop rental housing.

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

Performance Measurement Objective and Outcome
- Objective: Decent Housing (#2)
- Outcome: Availability/Accessibility (#1)

Accomplishments
Updates were not required in the 2005 PY.

PRIORITY AH.9 - PRESERVE/INCREASE INVENTORY OF AFFORDABLE UNITS
AH.9 Preserve/Increase Inventory of Affordable Units  Encourage the preservation and development of rental and/or for-sale housing affordable to extremely low, very low, and low income households.

AH.9 (a):  During the next five years, 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.

Performance Measurement Objective and Outcome
- Objective: Decent Housing (#2)
- Outcome: Affordability (#2)

Accomplishments
No affordable housing units were lost during the 2005 Plan Year. Under the Inclusionary Housing Program, 6 new units were built.

AH.8 (b):  Continue to meet with representatives of the University of California Santa Cruz to explore the potential for joint housing activities.

Performance Measurement Objective and Outcome
- Objective: Decent Housing (#2)
- Outcome: Affordability (#2)

Accomplishments
Regular meetings with UCSC staff were temporarily put on hold during the later part of the 2005 PY due to shifted focus by UCSC on their Long Range Development Plan.

AH.8 (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.

Performance Measurement Objective and Outcome
- Objective: Decent Housing (#2)
- Outcome: Affordability (#2)

Accomplishments
The City of Santa Cruz and the Downtown Parking District are moving forward with plans to build a parking garage on the largest of the four lots on Cedar Street. In addition to the housing opportunity in front of the garage along Cedar Street, the added parking would facilitate housing development on the other three sites by helping them meet parking requirements.

“WORST-CASE NEEDS”
For an evaluation of the City’s efforts to address “worst-case needs”, please see the Summary of Homeless Continuum of Care Accomplishments below. (Section 1d)
NEEDS OF PERSONS WITH DISABILITIES; PERSONS IN SUBSTANDARD HOUSING; & INVOLUNTARILY DISPLACED PERSONS

Persons with Disabilities: During the 2005 PY, the City worked with the new CHDO organization, CACH, to initiate the development of 14 new units for persons with psychiatric disabilities. The Grace Commons Project is expected to be constructed in the 2006 PY. For an evaluation of additional City efforts to address the needs of persons with disabilities, please see Section 1b, A Summary of Actions to Further Fair Housing, above.

Persons in Substandard Housing: The key effort to address the issue of persons living in substandard housing is our expanded Code Enforcement effort.

Involuntarily Displaced Persons: The City addresses the needs of Involuntarily Displaced Persons as follows:

(1) Displacement Due to Code Enforcement: Landlords must provide temporary housing for any tenants displaced as a result of Code Enforcement. If the landlord does not comply, housing is provided using CDBG funds which the property owner is required to repay.

(2) Displacement Due to Demolition of Units: Developers are responsible for providing for relocation assistance for their existing tenants. In addition, before receiving a building permit, developers must dedicate affordable replacement housing units within the new development or in another acceptable residential rental property.

1d. A Summary of Homeless Continuum of Care Accomplishments

BACKGROUND

Santa Cruz County’s Continuum of Care covers the entire County of Santa Cruz which is primarily rural county of approximately 250,000 residents in coastal California. This geographic area includes the City of Santa Cruz in the northern region of the County, the City of Watsonville in the County’s southern region, as well as all unincorporated areas of the County. The Cities of Capitola and Scotts Valley, two smaller incorporated cities not listed in HUD’s Geographic Area Guide, are also part of the County and are covered by the Continuum of Care.

Santa Cruz County has a long history of community-wide, collaborative work to provide a range of homeless housing and services. These efforts have grown into a full countywide Continuum of Care system with all of its components, including prevention, emergency shelter, transitional housing, permanent affordable and permanent supportive housing, supportive services at each stage, specialized programs and outreach for each homeless subpopulation, and integration with “mainstream” programs.

In PY 2003, the Continuum of Care developed a five-year strategic plan to respond to these needs. As a part of this strategy the Homeless Action Partnership (HAP) was created. This Partnership, which got underway during PY 2004, consists of an Executive Committee and a broadly inclusive working group. The Homeless Action Partnership
coordinates fund development efforts, enhances access by homeless people, and coordinates approaches to prevent homelessness among people discharged from institutional care. The vision of the Partnership is that “all Santa Cruz County residents will have the stable housing and appropriate services they need to live in dignity and reach their highest potential.” The mission statement for the Partnership is “to develop and implement a coordinated system of housing and services for preventing and ending homelessness in Santa Cruz County.”

In PY 2005, the HAP completed the Santa Cruz County Ten-Year Plan to End Homelessness, which incorporated the earlier five-year strategic plan. The Ten-Year Plan aims to create a comprehensive and coordinated system of affordable housing and support services for the prevention and end of chronic and other homelessness within ten years. It identifies outcome objectives in the areas of housing, jobs and incomes, supportive services, health care and the overall administration and coordination of the County’s Continuum of Care system. For each outcome objective identified in the plan, specific action steps are laid out for implementation.

In this way, the Ten-Year Plan aligns the Santa Cruz Continuum of Care with the federal goal of ending chronic homelessness in ten years, recent State of California efforts to establish a state plan to end homelessness in ten years, and the City of Santa Cruz’s Consolidated Plan. Moreover, the Plan provides a common blueprint to guide the County, the Cities, service providers, the business sector, philanthropy, and the broader community in realizing the vision of a community in which all residents have stable housing and services they need to live in dignity and reach their highest potential.

NEEDS

Despite the hard work of many providers, homelessness unfortunately continues to flourish in Santa Cruz County. According to the 2005 Santa Cruz County Homeless Census and Survey, homelessness in the county has grown to approximately 3,353 people on any given night, up from 3,293 people in 2000. The 2005 figure is based upon a point-in-time count of the homeless population conducted in the morning of March 22, 2005. A significant number per night—1,374—are chronically homeless -- according the federal definition of chronic homelessness. The County of Santa Cruz has one of the least affordable housing markets in the nation making it difficult to find affordable housing; moreover, only 112 beds of permanent housing have been identified as available for chronically homeless persons. Thus, almost 80% of the County homeless population, or 2,679 people, remains unsheltered (sleeping on the streets, in parks, in camps, in vehicles, or in other places unfit for human habitation) including more than 1,000 chronically homeless people languishing in public spaces without access to appropriate housing.

The 2005 study also included a random survey consisting of one-on-one interviews with 402 homeless people. This survey revealed a diverse homeless population encompassing

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1 A “chronically homeless person is an individual with a disabling condition who has been homeless continuously for one year or more or homeless at least four separate times within the past three years.
diverse needs. Demographically, 58% of homeless survey respondents were Caucasian, 28% were Hispanic/Latino, 4% were American Indian or Alaskan Native, 4% were African American, 1% were Asian or Pacific Islander, and 5% identified with other or multiple racial or ethnic groups. The homeless population is aging rapidly, and two largest age groups were 31-40 years old (23%) and 41-50 years old (32%).

As detailed by the homeless survey, the typical homeless person has lived in Santa Cruz County for more than five years, had been homeless for one year or more, and received some form of government assistance (most notably Food Stamps). About 61% of the homeless people are males and 39% are females. Approximately 18% of all homeless people are in families groups, and 14% of all survey respondents (sheltered and unsheltered) had children under the age of 18 living with them.

As to the cause of homelessness, survey respondents most frequently cited loss of job or unemployment as the primary event or condition that led to their current episode of homelessness; this cause was named in approximately 23% of the responses. Other common causes of homelessness were alcohol or drug use (14%), an inability to pay the rent or mortgage (14%), an argument with family or friends (7%), and being recently released from jail or prison (6%). Further, approximately 33% of all homeless respondents have experienced alcoholism or drug addiction. Approximately 88% of the homeless were unemployed.

With so many homeless people still sleeping out of doors, the number one need is more affordable housing. In the case of chronically homeless individuals, the primary need is for permanent supportive housing. More accessible and frequent employment opportunities, adequate health care and available supportive services also remain key critical needs.

**KEY ACCOMPLISHMENTS TOWARD ENDING CHRONIC HOMELESSNESS & HOUSING HOMELESS FAMILIES**

As mentioned above, County’s Ten-Year Plan to End Homelessness unites the community and provides a common Continuum of Care blueprint for coordinated action toward ending homelessness in Santa Cruz County. In PY 2005, the HAP established Ten-Year Plan implementation committees for each of the following substantive areas of the Plan:

- Housing (Prevention, Emergency, Transitional, and Permanent Housing)
- Supportive Services & Jobs (Outreach, Case Management, Food, Transportation, Childcare, Education, Day Centers, Employment, and Public Benefits)
- Health (Health, Mental Health, Substance Abuse, and Dental).

Each Plan implementation committee is charged with working to generate action toward accomplishing the Plan goals in its substantive area and tracking progress toward the Plan’s measurable outcome objectives. This past year, the community made tremendous progress (despite very limited resources) toward ending chronic homelessness and ensuring housing for homeless families. New homeless housing resources were added to those already in existence, and the County’s Chronic Homelessness Initiative, led by the Homeless Persons’ Health Project, spearheaded a Housing First strategy for assisting
chronically homeless individuals. A constantly strengthening array of health, social service, and work force development resources continued to be deployed throughout the city and county to meet the unique needs of a variety of homeless subpopulations.

A very detailed description of community-wide accomplishments toward meeting the Ten-Year Plan’s goals and measurable outcomes is contained in the Continuum of Care Narrative portion of the County’s 2006 Continuum of Care application to HUD. For purposes of this report, a sampling of some of the more important accomplishments in PY 2005 is set forth below:

**Snapshot of Successes Fighting Homelessness in the Year from 2005 to 2006**

- Of 3,371 people who were counted as homeless on the morning of March 22, 2005, 692 were sheltered in either an emergency or transitional housing program, where they received services to help them become stabilized and permanently housed.

- Two-thirds of all homeless people lived in Santa Cruz County before they became homeless and are no more likely to come from elsewhere than housed people.

- 92% of homeless people who exited Continuum of Care (CoC) renewal transitional housing successfully moved to permanent housing.

- 47% of homeless people who exited CoC renewal projects successfully became employed in paying jobs.

- The number of permanent supportive housing slots targeted for homeless people was increased by 41 from 225 to 266. This part of the overall stock of supportive housing for all populations. All 41 new homeless slots are for individuals with mental illness, substance abuse problems, and/or chronic homelessness.

- 52 new homeless permanent supportive housing slots were under development and moving toward occupancy, all for individuals with mental illness, substance abuse problems, and/or chronic homelessness. When occupied, there will be a total 318 permanent supportive housing slots for people who were previously homeless.

- The “Housing First” strategy for ending chronic homelessness is being modeled by the soon-to-be-complete 111 Barson Street Housing development.

- 90 new emergency shelter beds were completed in the City of Santa Cruz to help meet the needs of homeless families; this brings the total number of emergency, transitional, and permanent housing slots for homeless families to 485.

- The number of integrated health and supportive services teams for chronically homeless people increased from 4 to 6, and plans were implemented to further expand 1 team. Mental health service teams also provided stabilizing support to previously homeless people in permanent supportive housing.

- At least 14,000 dental appointments for homeless, low-income, and special needs populations were scheduled; 14 homeless programs facilitated dental referrals.
At least 1,560 clinical health visits were provided to homeless people in the City of Santa Cruz, and more in South County.

More than 100 homeless people received federal SSI, SSDI, and/or Medi-Cal benefits with the aid of the Chronic Homeless Initiative (CHI) program. Half of these people also obtained permanent housing.

All homeless children attended school and had access to federal advocacy and assistance.

ONGOING PROJECTS/PROGRAMS-PY 2005

Contributing to Continuum of Care success and accomplishments are a number of ongoing projects and programs being carried out and improved each year by collaborating Santa Cruz County Continuum of Care agencies. Described below are continuing HUD Continuum of Care renewal projects, HUD Emergency Shelter Grant (ESG) projects, and a sampling of other projects. Tables of existing emergency, transitional, permanent supportive, and affordable housing resources are also provided.

HUD Continuum of Care Renewals: In PY 2005, Santa Cruz County agencies received a total of $855,020 from the HUD Continuum of Care application. Nine projects that received funding, including eight renewals and one new project (see below). The renewal projects, which totaled $793,220 in one-year grants, are described as follows:

- Homeless Management Information System (County Human Resources Agency) - $89,985
- Scattered Site Transitional Housing for homeless families with children, 70 beds (Families In Transition) - $185,186
- Clean and Sober Transitional Housing for single mothers with history of chemical dependency & their children, 34 beds (Families In Transition) - $181,158
- Brommer Street Transitional Housing for homeless families with children, 18 beds (Housing Authority/Families in Transition) - $56,000
- Page Smith Transitional Housing for homeless individuals, 40 beds (Homeless Services Center) - $142,591
- Anderson House Permanent Supportive Housing for homeless individuals, 5 beds (Santa Cruz Community Counseling Center) - $41,540
- Corner House Permanent Supportive Housing for homeless families, 21 beds (Salvation Army) - $83,137
- Sudden Street Transitional Housing for homeless families with children, 12 beds (Pajaro Valley Shelter Services) - $13,623

HUD Emergency Shelter Grants: Santa Cruz County agencies compete annually for HUD ESG through the State of California-administered Federal Emergency Shelter Grant
(FESG) program. In PY 2005, County agencies received a total of $400,000 for the following ongoing activities:

- Emergency Shelter and Transitional Housing Programs for homeless families, 85 persons served per day (Pajaro Valley Shelter Services) - $200,000
- Homeless Community Resource Center day center for all homeless people, 225 people served per day (Homeless Services Center) – $200,000.

Emergency Services Intake and Assessment Project: This project, funded by a variety of mainstream sources, provide two central points of intake for homeless individuals and families in Santa Cruz County. One intake center is located in Santa Cruz, at the northern end of the County, and the other in Watsonville, at the southern end of the County. The project is sponsored by the Homeless Services Resource Center in collaboration with the Homeless Persons Health Project. The two intake centers are considered the primary points of entry to the homeless service system, and homeless persons are encouraged to make their initial contact with the system at these centers. The Project greatly facilitates homeless people’s ability to access the service system, receive information about all available services and resources, and develop a preliminary service plan with clear and appropriate action steps. The Project provides these services to approximately 1,000 persons per year.

The Homeless Persons Health Project (HPHP): Funded with ongoing federal Health Care for the Homeless and other sources, HPHP furnishes health and related services throughout Santa Cruz County to homeless and chronically homeless or marginally housed youth, adults, and families with children. HPHP works alongside homeless adults and youth through case management during times of need or crisis. HPHP staff and clinics provide assistance to over 3,000 individuals per year. Services include:

- Information & Referrals
- Benefits Advocacy
- Assistance Accessing Medical Care
- Medical Care and Treatment – (Clinic located on the Homeless Services Resource Center Campus)
- Alcohol & Drug Use Outreach, Counseling, and Support. (An HPHP contract with Janus Inc. funds a 30-day treatment option for many homeless adults.)
- Health Education & Prevention
- Case Management.

Social Security Administration Homeless Outreach Grant: HPHP’s Social Security homeless grant funds representative payee and benefits advocate services and a full-time employment specialist, focused on serving the chronically homeless population.

Downtown Santa Cruz Outreach: One full-time outreach worker is jointly funded by the County’s Community Mental Health Services and the City of Santa Cruz. This worker provides street outreach, brief assessment, information and referral, and advocacy to approximately 500 homeless adults, families, and youth per year.

Homeless Youth Outreach: The County Office of Education’s Homeless Educational Outreach Program employs a .75 FTE outreach worker who provides assessment,
information and referral, and advocacy services to youth referred by the Homeless Community Resource Center. In addition, the Youth Services Program of Santa Cruz Community Counseling Center employs a .25 FTE outreach worker who contacts 250 youth per year, providing brief assessment, information and referral.

**Community Action Board Shelter Hotline:** The Community Action Board (CAB) of Santa Cruz County operates an 8-hours-per-day, 5-days-per-week hotline, which provides information and referral to shelters and other services. CAB also provides a countywide homeless housing and service resource guide.

**Homeless Garden Project:** The Homeless Garden Project (HGP) provides job training and transitional employment to homeless people in organic gardens and related enterprises. In 2004, the project had approximately 20 positions. During a given year, 50 people may fill/pass through those positions. HGP is an entry into services for some homeless people who do not frequent other agencies. Participants may stay in the program for up to 3 years.

### TABLE 1: EMERGENCY SHELTER RESOURCES

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>BEDS</th>
<th>SUBPOPULATION SERVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interfaith Satellite Shelter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Winter beds</td>
<td>45</td>
<td>Adults and families</td>
</tr>
<tr>
<td>- Year-round beds</td>
<td>115</td>
<td>Adults and families</td>
</tr>
<tr>
<td>River Street Shelter</td>
<td>24</td>
<td>Adults with mental illness</td>
</tr>
<tr>
<td>Rebele Family Shelter</td>
<td>90</td>
<td>Families with children</td>
</tr>
<tr>
<td>Salvation Army</td>
<td>55</td>
<td>Adults and families</td>
</tr>
<tr>
<td>Pajaro Rescue Mission</td>
<td>60</td>
<td>Adult males</td>
</tr>
<tr>
<td>Pajaro Winter Shelter</td>
<td>18</td>
<td>Adult men and women</td>
</tr>
<tr>
<td>Pajaro Valley Shelter</td>
<td>21</td>
<td>Women and children</td>
</tr>
<tr>
<td>Defensa de Mujeras</td>
<td>18</td>
<td>Battered women and their children</td>
</tr>
<tr>
<td>Community Action Board HOME Program</td>
<td>8</td>
<td>Homeless men and women</td>
</tr>
<tr>
<td>Jesus, Mary &amp; Joseph Home</td>
<td>14</td>
<td>Homeless men and women</td>
</tr>
<tr>
<td>SCCCCC youth foster homes</td>
<td>4</td>
<td>Homeless youth</td>
</tr>
<tr>
<td><strong>Total Beds Year-Round</strong></td>
<td>409</td>
<td></td>
</tr>
<tr>
<td><strong>Total Added Winter Beds</strong></td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>ORGANIZATION/ FACILITY</td>
<td>BEDS/ UNITS</td>
<td>MAX STAY</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------</td>
<td>----------</td>
</tr>
<tr>
<td>Page Smith Community House</td>
<td>40 beds</td>
<td>18 months</td>
</tr>
<tr>
<td>Community Support Services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- THPP</td>
<td>5 beds</td>
<td>12 months</td>
</tr>
<tr>
<td>- Crossroads</td>
<td>6 beds</td>
<td>12 months</td>
</tr>
<tr>
<td>- River Street Dual Diagnosis</td>
<td>8 beds</td>
<td>6 months</td>
</tr>
<tr>
<td>- Tyler House</td>
<td>6 beds</td>
<td>6 months</td>
</tr>
<tr>
<td>Pajaro Valley Shelter Services</td>
<td>103 beds</td>
<td>18 months</td>
</tr>
<tr>
<td>Families in Transition:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Clean &amp; Sober Transitional housing</td>
<td>34 beds</td>
<td>18 months</td>
</tr>
<tr>
<td>- Scattered-site permanent housing with transitional rent assistance</td>
<td>70 beds</td>
<td>18 months</td>
</tr>
<tr>
<td>- Other transitional housing</td>
<td>63 beds</td>
<td>18 months</td>
</tr>
<tr>
<td>Housing Authority --Brommer Street</td>
<td>18 beds</td>
<td>18 months</td>
</tr>
<tr>
<td>Salvation Army--Loma Prieta</td>
<td>10 beds</td>
<td>6 months</td>
</tr>
<tr>
<td></td>
<td>6 beds</td>
<td>6 months</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>46 beds</td>
<td>For general adult population</td>
</tr>
<tr>
<td></td>
<td>25 beds</td>
<td>For adults with mental illness/dual diagnosis</td>
</tr>
<tr>
<td></td>
<td>71 beds</td>
<td>For all adults</td>
</tr>
<tr>
<td></td>
<td>298 beds</td>
<td>For families with children</td>
</tr>
<tr>
<td><strong>369 beds</strong></td>
<td>TOTAL TRANSITIONAL BEDS</td>
<td></td>
</tr>
</tbody>
</table>
# TABLE 3: PERMANENT SUPPORTIVE HOUSING RESOURCES

<table>
<thead>
<tr>
<th>HOUSING PROJECT</th>
<th>BEDS</th>
<th>SUBPOPULATION SERVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front Street</td>
<td>47</td>
<td>Adults with mental illness</td>
</tr>
<tr>
<td>Rose Acres</td>
<td>25</td>
<td>Adults with mental illness</td>
</tr>
<tr>
<td>Harmony</td>
<td>16</td>
<td>Adults with mental illness</td>
</tr>
<tr>
<td>West Branch</td>
<td>6</td>
<td>Adults with mental illness</td>
</tr>
<tr>
<td>Community Support Services</td>
<td>132</td>
<td>Adults with mental illness (112 beds), chronically homeless adults (20 beds)</td>
</tr>
<tr>
<td>Wheelock House</td>
<td>8</td>
<td>Adults with mental illness</td>
</tr>
<tr>
<td>Stanford House</td>
<td>8</td>
<td>Adults with mental illness</td>
</tr>
<tr>
<td>Front Street, Inc.</td>
<td>7</td>
<td>Adults with mental illness</td>
</tr>
<tr>
<td>Jessie Street Apts.</td>
<td>14</td>
<td>Adults with mental illness</td>
</tr>
<tr>
<td>County Health-Mental Health Rent Subsidies</td>
<td>16</td>
<td>Adults with mental illness</td>
</tr>
<tr>
<td>Resetar Hotel</td>
<td>92</td>
<td>Seniors</td>
</tr>
<tr>
<td>Santa Cruz AIDS Project</td>
<td>10</td>
<td>Adults with HIV/AIDS</td>
</tr>
<tr>
<td>SCAP Multiple Diagnosis Initiative</td>
<td>10</td>
<td>Adults with HIV/AIDS and mental illness or chemical dependency</td>
</tr>
<tr>
<td>HPHP Puentes Project</td>
<td>44</td>
<td>Chronically homeless adults with disabilities</td>
</tr>
<tr>
<td>HPHP AB 2034 Housing</td>
<td>7</td>
<td>Chronically homeless adults with disabilities</td>
</tr>
<tr>
<td>HPHP MATCH</td>
<td>33</td>
<td>Chronically homeless serial inebriates</td>
</tr>
<tr>
<td>HPHP Rent Plus</td>
<td>19</td>
<td>Chronically homeless adults with disabilities</td>
</tr>
<tr>
<td>Housing Authority S+C</td>
<td>25</td>
<td>Chronically homeless adults with mental illness</td>
</tr>
<tr>
<td>Salvation Army Corner House</td>
<td>21</td>
<td>Families with disabilities</td>
</tr>
<tr>
<td><strong>TOTAL SUPPORTIVE HOUSING RESOURCES:</strong></td>
<td><strong>259</strong></td>
<td>Adults with mental illness</td>
</tr>
<tr>
<td></td>
<td><strong>20</strong></td>
<td>Adults with HIV/AIDS</td>
</tr>
<tr>
<td></td>
<td><strong>148</strong></td>
<td>Chronically homeless adults with disabilities</td>
</tr>
<tr>
<td></td>
<td><strong>90</strong></td>
<td>Seniors</td>
</tr>
<tr>
<td></td>
<td><strong>21</strong></td>
<td>Families with disabilities</td>
</tr>
<tr>
<td><strong>538</strong> TOTAL PERM. SUPP. BEDS</td>
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<td></td>
</tr>
</tbody>
</table>
**TABLE 4: OTHER PERMANENT AFFORDABLE HOUSING RESOURCES**

<table>
<thead>
<tr>
<th>JURISDICTION</th>
<th>SUBSIDIZED UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unincorporated areas (County)</td>
<td>2,000</td>
</tr>
<tr>
<td>City of Santa Cruz</td>
<td>1,432</td>
</tr>
<tr>
<td>City of Watsonville</td>
<td>685</td>
</tr>
<tr>
<td>City of Capitola</td>
<td>223</td>
</tr>
<tr>
<td>City of Scotts Valley</td>
<td>33</td>
</tr>
<tr>
<td>Section 8 Vouchers &amp; Certificates (Countywide)</td>
<td>1,972</td>
</tr>
<tr>
<td><strong>TOTAL UNITS</strong></td>
<td><strong>6,345</strong></td>
</tr>
<tr>
<td><strong>ESTIMATE OF UNITS ACCESSED BY HOMELESS (5%)</strong></td>
<td><strong>317</strong></td>
</tr>
</tbody>
</table>

**NEW PROJECTS – PY 2005 PROGRAM YEAR COC NOFA AND OTHER**

Despite a severe shortage of funding and barriers to project development, Continuum of Care agencies have nonetheless been successful beginning the following new permanent supportive housing projects, all targeting chronically homeless people.

**New HUD Continuum of Care Funding:** In PY 2005, the following grant was attained using Continuum of Care permanent housing “bonus” funds:

- Shelter Plus Care-Going Home Permanent Supportive Housing for chronically homeless individuals, 1 bed over 5 years (Housing Authority/County Health Services Agency) - $61,800 (New project).

**HUD Homeless Demonstration Funds:** The Santa Cruz County Continuum of Care was also successful in attaining a highly competitive grant from HUD’s Housing for People who are Homeless and Addicted to Alcohol demonstration program, as follows:

- Meaningful Answers to Chronic Homelessness (MATCH) Permanent Supportive Housing for chronically homeless serial inebriate individuals, 33 beds (County Health Services Agency, Homeless Persons’ Health Project) - $706,773.

**111 Barson Street SRO:** During PY 2005, The 111 Barson Street SRO project neared completion, after a number of years in the development process. The project, when fully leased up, will house eleven chronically homeless individuals with disabilities. Project partners are South County Housing, Santa Cruz Community Counseling Center, and HPHP. Development funding includes a HUD Continuum of Care SRO Mod Rehab grant, a State Supportive Housing grant, and a variety of County and City sources.
DISCHARGE PLANNING – GOVERNMENT COORDINATION

The County Human Resources Agency, along with the HAP, has taken the Continuum of Care lead this past year in developing discharge policies and protocols relating to key institutions as follows:

**Foster Care:** The Human Resources Agency’s Families & Children's Services Department Foster Care division has established a specific policy and instituted procedures to prevent emancipated youth from being released into homelessness. Prior to emancipation, foster youth are identified prior to reaching the age of 18. Once identified, the Foster Care unit works to reunify the youth with family, or to identify an adult to provide support. A Transitional Housing Project-Plus program is for youth ages 18-24.

**Health Care:** County of Santa Cruz Health Services Agency has formal protocols and procedures for clients enrolled in its Health Services Clinic (Project Connect), of which 40% are homeless individuals. Through this project, clients are worked with in the event they are hospitalized in order to prevent being discharged into homelessness.

**Mental Health:** The County Health Services Agency has a formal protocol for discharging patients from behavioral health units (inpatient psychiatric unit) into homelessness. A review process has been established whereby the patient status is reviewed, and assigned to a Mental Health Services Team for follow-up, thereby preventing discharging into homelessness.

**Corrections:** Santa Cruz County Jail has established discharge planning policies and procedures since October 1985 that provides a coordinated system of care for mentally ill inmates. Policies includes a Jail Discharge Planner who working with the client while in a jail facility, establishes a discharge plan, and monitors aftercare services (mental and health, outpatient referrals, probation, community referrals and resources, a range of housing possibilities, as well as the criminal justice system).

**ACTIONS TAKEN TO REDUCE THE NUMBERS OF FAMILIES IN POVERTY**

The priorities and needs as identified in the 2005-2010 Consolidated Plan reflect the City’s objective of reducing the number of households with incomes below the poverty line. In specific, the priorities and programs that address the needs of extremely low and low-income households, including the homeless and special needs populations, address this objective.

The County of Santa Cruz administers specific welfare programs such as Welfare to Work. City households who are eligible for such programs are assisted by County staff in securing assistance. No specific measures of actions were taken by the City to reduce the number of families living in poverty during the reporting period.
COMPARISON OF GOALS V. ACCOMPLISHMENTS

Priority: Homeless Housing and Support Services (HO)

The previous discussion addressed the County-wide Continuum of Care effort. The following outlines specific goals and objectives as established in the City’s 2005-2010 Consolidated Plan and the 2005-2006 One Year Action Plan. A summary of the City’s progress toward accomplishing these goals during this reporting period follows.

HO.1 Assist Homeless Individuals and Families  Provide home ownership opportunities for moderate, low, and very low income households.

HO.1(a): Continue to provide annual funding for Homeless Resources Center, including the Interfaith Satellite Shelter Program; and the River Street Shelter.

Performance Measurement Objective and Outcome
- Objective: Suitable Living Environment (#1)
- Outcome: Availability/Accessibility (#1)

Accomplishments
Over $53,000 in CDBG social service provider funding was granted to the Homeless Services Center for the Homeless Community Resource Center and to the Santa Cruz Community Counseling Center for the River Street Shelter.

HO.1(b): Continue to provide soft costs for the Emergency Family Housing Project as needed.

Performance Measurement Objective and Outcome
- Objective: Suitable Living Environment (#1)
- Outcome: Availability/Accessibility (#1)

Accomplishments
No funding was required in the 2005 PY.

HO.2 Development of Additional Facilities for Transitional and Permanent Housing

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

Performance Measurement Objective and Outcome
- Objective: Suitable Living Environment (#1)
- Outcome: Availability/Accessibility (#1)

Accomplishments
The 111 Barson Street project was granted approvals in PY 2005. Two additional affordable units and one manager’s unit are planned in addition to the 11 rehab SROs.

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.
Performance Measurement Objective and Outcome
- Objective: Suitable Living Environment (#1)
- Outcome: Availability/Accessibility (#1)

Accomplishments
No additional permanent housing opportunities for homeless were identified within the City of in the 2005 PY by City staff. However, as noted above, the number of permanent supportive housing slots targeted for homeless people in the County was increased by 41 (from 225 to 266) and 52 new homeless permanent supportive housing slots were under development.

HO.3 Support for Homeless Resource Center

HO.3(a): Complete shower facility improvements by 2008.
- Performance Measurement Objective and Outcome
  - Objective: Suitable Living Environment (#1)
  - Outcome: Availability/Accessibility (#1)
- Accomplishments
  Plans for the hygiene center improvements were completed in PY 2005.

HO.3(b): Help identify and construct other improvements of the Homeless Resource Center facilities as needed.
- Performance Measurement Objective and Outcome
  - Objective: Suitable Living Environment (#1)
  - Outcome: Availability/Accessibility (#1)
- Accomplishments
  A year round 44 bed shelter was added to the hygiene center project to create the Homeless Community Resource Center Improvement Project. Plans were completed in PY 2005.

HO.3(c): Support implementation of the Phase II Master Plan.
- Performance Measurement Objective and Outcome
  - Objective: Suitable Living Environment (#1)
  - Outcome: Availability/Accessibility (#1)
- Accomplishments
  Phase I of the Master Plan was completed in 2005. Work on Phase II has not begun.

HO.4 Improve Winter Shelter Program and Facilities

HO.4(a): In collaboration with Homeless Resource Center, the County, and other stakeholders, to conduct study of shelter program options and develop a plan for a permanent facility by 2008.
- Performance Measurement Objective and Outcome
  - Objective: Suitable Living Environment (#1)
  - Outcome: Availability/Accessibility (#1)
Accomplishments
The mezzanine over the hygiene center and lockers was identified as a permanent shelter in the 2004 and 2005 plan years. As noted above, construction plans are proceeding.

HO.5 Work to Improve Continuum of Care Process

HO.5(a): Continue to support housing objectives of the Santa Cruz County Five-Year and, when finished, Ten-year Strategic Plan on Homelessness and implement when feasible.

Performance Measurement Objective and Outcome
- Objective: Suitable Living Environment (#1)
- Outcome: Availability/Accessibility (#1)

Accomplishments
See detailed description above regarding Ten-year Plan and implementation. City of Santa Cruz staff continues to play an active role in the HAP and serves as co-chair for the HAP Housing Committee.

HO.5(b): Participate in homeless person counts as required by HUD.

Performance Measurement Objective and Outcome
- Objective: Suitable Living Environment (#1)
- Outcome: Availability/Accessibility (#1)

Accomplishments
The consultant for the count done in 2005 was partially funded by the City of Santa Cruz General Fund. Staff also participated in planning sessions for the count.

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

Performance Measurement Objective and Outcome
- Objective: Suitable Living Environment (#1)
- Outcome: Availability/Accessibility (#1)

Accomplishments
In addition to active participation in the Executive Committee, the HAP, the HAP Housing Committee, City of Santa Cruz staff assist in the ranking and selection of proposals for the Continuum of Care funding application.

HO.6 Provide Rent Subsidies and Assistance

HO.6(a): Continue to provide funding to the Community Action Board (CAB) to provide emergency rental assistance to 20-30 families annually to help them avoid homelessness.

Performance Measurement Objective and Outcome
- Objective: Suitable Living Environment (#1)
- Outcome: Availability/Accessibility (#1)

Accomplishments
The Redevelopment Agency funded emergency rental through the Community Action Board for 43 households (62 individuals) in the 2005 PY.

**HO.6(b):** Continue to use Redevelopment tax increment funds to provide additional affordable housing activities such as the rent subsidy and assistance.

**Performance Measurement Objective and Outcome**
- Objective: Suitable Living Environment (#1)
- Outcome: Availability/Accessibility (#1)

**Accomplishments**
Redevelopment Agency funded rental deposit assistance through the Housing Authority of Santa Cruz County for 41 persons, including 24 homeless individuals in the 2005 PY.

1e. **A Summary of Other Actions to Achieve Consolidated Plan Goals**

**ACTIONS TAKEN TO ADDRESS LEAD BASED PAINT HAZARDS**
Staff continued to work with the County “Childhood Lead Prevention Program” to address lead paint enforcement and coordination issues. No new actions were initiated during the reporting period.

**ACTIONS TAKEN TO OVERCOME GAPS IN INSTITUTIONAL STRUCTURE**
There are a number of coordinated County-wide efforts that help, or have helped, to strengthen the City's Delivery system. These include: (1) Community Assessment Project; (2) Homeless Action Partnership; and (3) Santa Cruz Clusters. These three efforts are summarized below.

(1) **COMMUNITY ASSESSMENT PROJECT:** Over the past ten years, a consortium of public and private health, education, human service and civic organizations, convened by the United Way of Santa Cruz County, have sponsored the Community Assessment Project of Santa Cruz County (CAP). The CAP is a collaborative project to measure and improve the quality of life in Santa Cruz County. One of the primary purposes of CAP is to encourage collaborative community action that will positively impact the Community Goals. As a result of CAP, County-wide community action has occurred at the individual organizational level as well as the community group level over the first ten-year period.

The CAP study focuses on six research areas – Economy, Education, Health, Public Safety, Natural Environment, and Social Environment. This invaluable tool provides a comprehensive analysis of needs, assisting the community to identify potential issues, recognize trends, and establish priorities.
(2) SANTA CRUZ COUNTY HOMELESS ACTION PARTNERSHIP (HAP): In 2003, the Continuum of Care Working Group completed a “Five-Year Strategic Plan On Homelessness”. The Plan recommended that the collaborative effort be expanded under a Homeless Action Partnership (HAP). This was implemented in 2004. The HAP functions at two levels. An executive committee includes policy makers from all jurisdictions within the County. A Coordinating (working) Group: (1) develops and submits consolidated applications to HUD for homeless assistance funding; (2) takes actions and fosters interagency and inter-jurisdictional collaborations as needed to implement the Plan; and (3) continues to update and/or expand the Plan as needed. The City of Santa Cruz participates in and helps fund all levels of the HAP.

(3) SANTA CRUZ CLUSTERS: Under a grant from The James Irvine Foundation and The David & Lucile Packard Foundation, community leaders, local industry leaders, and government and education representatives came together to work on economic growth issues concerning the County of Santa Cruz. Although the project has been completed, relationships and ideas that emerged from the "Clusters" laid a foundation for future collaboration. Two significant “clusters” were created that relate directly to the Consolidated Plan. These included the “Creative Solutions” (housing) cluster, which was chaired by the publisher of the local newspaper, and the “Campaign to Connect Local People to Local Jobs” cluster, which was co-chaired by the President of Cabrillo College and the head of a technology company. For the latter, the long-term goal is to move 1,000 local residents into local jobs with career potential within a five-year period. HCD staff participated in “Creative Solutions” while Redevelopment Agency staff were part of the “Local Job” cluster and continue to work toward this job related goal.

Despite these overall coordination efforts, there are areas of weakness. The City's "Analysis of Impediments to Fair Housing Choice", which was completed in 2003, observed that the fair housing network in Santa Cruz consists of various groups specializing in serving one or more special needs groups. Many organizations did not appear to have adequate reporting mechanisms to gather data to identify gaps in service. The City initiated a study in 2004 to interview these groups in order to further study this issue and was able to identify areas where better coordination of service is needed. Follow-up to this study has not occurred.

The second area where a gap currently exists concerns partnerships with non-profit housing developers. The City had a long standing relationship with Mercy Housing California and had successfully completed a number of affordable housing projects with that non-profit organization. Since completion of two major housing projects in 2004, their presence has decreased in the Santa Cruz area, creating a void for a local non-profit housing developer. The City has begun working with a newly formed CHDO, however there remains a service gap for an experienced locally based non-profit affordable housing developer. Recent collaboration on 111 Barson with the non-profit developer South County Housing Inc. may be a step in that direction.

**ACTIONS TAKEN TO REDUCE THE NUMBERS OF FAMILIES IN POVERTY**

The priorities and needs as identified in the 2005-2010 Consolidated Plan reflect the City’s objective of reducing the number of households with incomes below the poverty line. In specific, the priorities and programs that address the needs of extremely low and
low-income households, including the homeless and special needs populations, address this objective.

The County of Santa Cruz administers specific welfare programs such as Welfare to Work. City households who are eligible for such programs are assisted by County staff in securing assistance. No specific measures of actions were taken by the City to reduce the number of families living in poverty during the reporting period.

**ACTIONS TAKEN TO ADDRESS NON-HOMELESS SPECIAL NEEDS POPULATIONS REQUIRING SUPPORTIVE HOUSING**

In PY 2005, two activities addressed supportive housing for non-homeless special needs populations, including:

- The 14 unit 111 Barson Street Project progressed significantly in the 2005 PY providing supportive housing opportunity for formerly homeless individuals. Under various funding sources, a number of these units will be targeted for disabled individuals.

- Land for the 15 unit Grace Commons Project, which will provide supportive housing for the psychiatrically disabled, was purchased and plans were completed in PY 2005.

- See Table 3 and introduction to Table 3 for a summary of supportive housing facilities addressing the special needs of persons that are not homeless but require supportive housing, including persons with HIV/AIDS.

**OTHER ACTIONS**

**Accessory Dwelling Unit Program**

During this reporting period the City continued to implement its Accessory Dwelling Unit Program. The ADU program was funded through a $350,000 grant from the California Pollution Control Financing Agency Sustainable Communities Grant.

The goal of the program is increase the number of legally permitted accessory dwelling units in the City to an average of 30-50 annually. Major components of the program include 1) design of 7 prototype ADUs for use by the public, 2) technical assistance to those considering building an ADU (design manual, workshops, videos) and 3) a loan program designed to create ADU units available for low income households.

During the reporting period:

- Building permits for over 40 units of housing were issued; and

- Three ADU units participated in the City’s Fee Waiver Program in exchange for affordability restrictions.

**Neighborhood Services Team**

The City of Santa Cruz Neighborhood Services Team (NST) is an interdepartmental group formed to deliver City services neighborhoods and to proactively respond to
neighborhood issues in a coordinated and strategic manner. The team consists of two sections; a Steering Committee comprised of department directors responsible for planning and policy, and a Working Group consisting of field-level supervisors responsible for implementing projects and work programs and tactical responses to issues of neighborhood concern.

1f. A Summary of Leveraging of Non-Federal Funds

CDBG AND HOME PROGRAM

The City invested $837,801 in HOME funds, which leveraged about $3,900,000 in private and other public funds, which is attributed to the non HOME funding for the Grace Commons Project. The CDBG Program invested $819,799 in CDBG funds and leveraged about $1,200,000 in private funds which primarily consists of other funding sources for non-profit service providers.

CONTINUUM OF CARE

During the past year, the County of Santa Cruz prepared a Continuum of Care application on behalf of the Santa Cruz County Homeless Action Partnership. Santa Cruz County’s total request to HUD, for ten projects in the application, was $1,322,780. One new permanent housing project and eight renewal projects were awarded a total of $855,020. Taken together, these funded projects will leverage $861,413 in resources from other public and private sources. Additionally, this past year the County Health and Human Services Agency, Homeless Persons’ Health Project was very excited to receive an award of $706,733 to house and serve 33 people from HUD’s highly competitive Housing for People who are Homeless and Addicted to Alcohol demonstration program.

1g. A Summary of Citizen Comments

In accordance with the City’s Citizen Participation Plan, a 15 day citizen comment period was advertised in the Santa Cruz Sentinel newspaper. Copies of the draft CAPER were made available at the City’s Planning Department counter and on the City’s Website. The 15-day comment period started September 21, 2005. No comments were received, therefore, no summary of comments can be provided.

1h. A Self-Evaluation of Progress Made During the Past Year in Addressing Identified Priority Needs and Objectives of the Consolidated Plan

TARGET AREAS

Although the City continues to pursue opportunities for first time homebuyer and homeowner rehabilitation assistance city wide, staff focused outreach efforts in lower income areas of the City, including Sub-Target Area 1, (Beach Flats/South of Laurel area
and the downtown). Through increased outreach and use of inclusionary units in the First Time Homebuyer Program, three first time homebuyer loans and one rehabilitation loan were made in the 2005 PY. Despite the success this year, the extraordinary high cost of housing continues to limit the effectiveness of the First Time Homebuyer Program.

Code Enforcement activities have also been successful. Although Code Enforcement focused on the expanded target area, the majority of the cases still occur in the Beach Flats/South of Laurel neighborhoods. Gradually over time, dilapidated buildings in these areas are either being repaired, rehabilitated, or in some cases replaced.

In the Beach Flats area, 17 units of substandard housing at the corner of Second Street and Leibrandt Avenue were demolished in the 2005 PY and a 44 unit single room occupancy project is planned for the 2006 PY. Demolition was ordered by the City’s Building Official. The SRO project at 111 Barson Street in the Lower Ocean neighborhood also replaces a run down former motel. Both these properties have a history of code enforcement violations. These are only two examples of the trend for these neighborhoods.

**PROJECTS**

With limited CDBG and HOME funding, it is difficult for a city the size of Santa Cruz to sustain continual construction of new assisted housing or community facility development. As a result, the City of Santa Cruz’s CDBG and HOME capital projects tend to be somewhat cyclical in nature. Typically, there will be a period of planning during which time funding is secured and plans completed. This is then followed by a period of construction. Over the two prior Plan Years (2003 and 2004), the City was heavily involved in the construction phase on a number of projects, completing two significant affordable housing projects, a new Community Center in Beach Flats, and a new Emergency Family Shelter at the Homeless Services Center.

During the 2005 Plan Year, the City was back in a planning and plan development stage with a number of new projects. Although nothing was actually constructed, significant progress was made on these projects, including:

- **Grace Commons:** Building plans were approved for 15 units of supportive housing. Construction is expected to start in the 2006 PY.

- **Raymond Street Park:** Community meetings were held and with community input, plans were completed for a neighborhood park and community garden. Construction is expected to start in the 2006 PY.

- **Homeless Community Resource Center Improvements:** Plans for hygiene center improvements were expanded to accommodate a 44 bed year round shelter.

With these achievements the foundation for success in future years has been laid.
FACTORS AFFECTING THE AVAILABILITY OF AFFORDABLE HOUSING IN SANTA CRUZ

Housing market forces continue to make affordable housing one of most, if not the highest critical need in the City. Various affordability indices consistently rank Santa Cruz in the top ten least affordable for rental housing and the top three for ownership housing.

- Limited developable land within City limits constrains the supply of housing.
- A desirable location and close proximity to employment opportunities in Silicon Valley keep demand high.
- Increasing enrollment at the University of California at Santa Cruz outpaces the University’s ability to provide required housing on-campus so growing numbers of faculty and students further impact an already tight housing market.

The increased cost of housing affects homeowners and renters alike. In Santa Cruz, households most affected are low and very-low income renters and entry level homebuyers. Increases in costs especially impact households on fixed incomes such as the elderly and disabled. As housing costs increase, the percentage of income available for other living expenses decreases commensurately.

Lower and moderate-income households are also affected. Entry level homebuyers are increasingly priced out of the market, with down payment requirements and carrying costs effectively eliminating the ability of even moderate-income households to purchase a home.

The City will continue to work with developers to encourage the development of both affordable rental and ownership housing. In addition, staff will continue to pursue other state funding sources to augment HOME and CDBG funding.

HOUSING PROGRAMS

In the 2005 PY, City staff has worked on two fronts: first to create affordable units through the City’s Inclusionary Housing Program and secondly, to work with homeowners to help them access these affordable units. As a result of significant out reach to homebuyers and continued work with developers and real estate agents, two low income households and one extremely low income household were able to purchase units. These homeowners were assisted with “silent second” mortgages which are available under the City’s First Time Homebuyer Program for income-qualified purchasers of affordable housing.

In addition to successfully assisting these homebuyers, the City continued to respond to requests for assistance from potential low-income homebuyers during this reporting period. Approximately 50 requested information about the program, and to the extent needed received counseling regarding the home buying process.

The Unified Housing Rehabilitation Program has had less success. The primary obstacle is the difficulty and added costs of using a HOME Loan alternatives are available such as refinancing with a low interest loan. With ready availability of low cost loans,
homeowners have not been interested in the restricted HOME loans. Over the last several years, staff has focused on multi-family projects and was successful in completing one major rehabilitation project in PY 2003. However, for these larger projects, it sometimes takes a few years for a project to be ready. As a result, during PY 2005, there was no HOME or CDBG funded construction activity in this Program. However, as a result of extensive outreach to homeowners in targeted areas, the City was able to make one rehabilitation loan to a homeowner using funds from the City’s CalHome Rehab Grant.

CONTINUUM OF CARE PLANNING

Implementation of the Santa Cruz County Ten Year Strategic Plan on Homelessness is in its second year. Despite successful applications for funding by the HAP and its many partners, inadequate funding remains to be the greatest hindrance to realization of the ten year plan.

In the next PY, staff will continue working with the HAP to implement the 10 Year Plan recommendations.

CONSOLIDATED PLAN GOALS

During the first year of implementation efforts under the 2005-2010 Consolidated Plan, the City has achieved many objectives of a multi-pronged approach to achieving Plan goals.

There have been difficulties in achieving all plan objectives, as discussed in this section of this report. Santa Cruz is plagued with a critical housing shortage and a high cost housing market. There is also, locally and regionally, a high cost associated with carrying out both housing and public facility projects. Due to these factors, it is felt that the City’s efforts to achieve the goals and objectives in the 2005-2010 Consolidated Plan have been reasonably successful.

PERFORMANCE MEASUREMENT SYSTEM

The City of Santa Cruz previously had a basic Performance Measurement System in place with (a) a clearly defined goals; (b) established output and outcome objectives; and (3) timelines for achieving objectives and goals. In compliance with HUD requirements, the City has added the HUD Outcome Performance Measurement Framework.

The following is the Summary chart.
GEOGRAPHIC DISTRIBUTION & LOCATIONS OF INVESTMENTS

The following maps identify the location of activities to be funded during the 2005 Program Year with CDBG and HOME funds.

- Map 1- Public Facility Projects
- Map 2 – Public Service Programs
- Map 3–Target Area Programs - Code Enforcement
- Map 4 – Housing Projects
Map 2 - Public Service Programs
AREA WIDE ACTIVITIES
Code Enforcement Program

Map 3 Target Area Code Enforcement Program
Map 4 - Housing Projects
2. CDBG PROGRAM NARRATIVE STATEMENTS

2a. Priorities/Goals Assessment, Housing Needs, and Overall Benefits Analysis

PRIORITIES/GOALS ASSESSMENT
See general narrative 1a and 1c for this discussion which includes a comparison of actual accomplishments and the proposed goals and objectives for PY 2005 plus statistical tables of the accomplishments.

HOUSING NEEDS
See general narrative 1a, 1c, and 1h for this discussion.

OVERALL BENEFITS ANALYSIS
The CDBG program, during the 2005 Program Year, was targeted at 99% of programs and projects, which benefit low- and moderate-income persons.

2b. Nature and Reasons for Changes to Program Objectives
There were no substantive changes to the program objectives during the 2005 Program Year.

2c. Assessments of Actions to Carry Out One Year Action Plan
Also see general narrative 1a, 1c, and 1h for this discussion.

2d. Achievement of National Objectives
The purpose of these funds is to carry out activities which achieve a national objective. CDBG funds must:

- Benefit low- and moderate-income persons;
- Address slums or blight; or
- Meet a particular urgent community development need.

HOME funds must: Benefit low- and very-low income persons with affordable housing.
The City of Santa Cruz has historically allocated the majority of its CDBG and HOME funding to qualifying activities benefiting low-income persons. The Federal government requires that at least 70% of all CDBG funds be expended for activities which benefit low- and moderate-income persons, and all HOME funds must benefit lower-income persons.

During the 2005 Program Year the City spent all of its funds for activities which benefited very-low, low- and moderate-income persons.

### 2e. Displacement Narrative

There were no persons displaced as a result of City actions during the 2005 Program Year.

### 2f. Economic Development, Limited Clientele, Program Income and Housing Rehabilitation Activity

#### ECONOMIC DEVELOPMENT

No economic development activities, which made employment opportunities available to low- or moderate-income persons, were undertaken during this reporting period.

#### LIMITED BENEFIT CLIENTELE

No activities, which served a presumed limited benefit clientele, were undertaken during this reporting period.

#### PROGRAM INCOME

Program income was generated from the following sources:

- Revolving Fund for Unified Housing Rehabilitation - CDBG: $93,195
- HOME Program Activities: $15,527
- Revolving Fund for Public Facility Development: $0

Program income amounts very greatly over time and income streams are difficult to predict with any degree of certainty. Loans may be paid off at anytime, which has occurred more frequently as a result of low interest rates. Therefore, the amount of unreconciled balance for the City’s programs will annually vary and are typically not committed to new loans until the funds have been applied for.
HOUSING REHABILITATION

The City’s Unified Housing Rehabilitation Program is designed to preserve the City’s existing stock of housing by rehabilitating substandard and deteriorated dwelling units which serve low-income households. During PY 2005, no units were rehabilitated using CDBG funds however, one home was rehabilitated using state CalHome funds. Outreach efforts were conducted to specific rental project and all residential property owners in low income target areas.

2g. Neighborhood Revitalization Strategy Area

The City implemented no HUD-approved neighborhood revitalization strategies during this reporting period.

3. HOME PROGRAM NARRATIVE STATEMENTS

3a. Housing Needs Analysis

(Also see Narrative 1c.)

DISTRIBUTION OF HOME FUNDS AMONG HOUSING NEEDS

First Time Homebuyer Program

During the reporting period the City of Santa Cruz continued implementation of its First Time Homebuyer Program, with a focus on the Target Areas. The program provides “silent second” mortgage assistance to income-qualified purchasers of affordable housing located in target areas designated by the City.

The City continued to respond to requests for assistance from potential low-income homebuyers during this reporting period. The City responded to approximately 50 requests for information about the program, and counseled potential homebuyers regarding the home buying process.

The City was able to fund two First time Homebuyer (FTH) projects PY 2005 with HOME funds as a result of improvements to the Program and an increase in the number of condominium units that were available for sale. Condominiums provide the best option for low or moderate income homebuyers in this market. However, these units were not located in the Beach/south of Laurel Target Area.
Senior Housing

The City completed a 37 unit senior housing project in PY 2004. No additional project was initiated during PY 2005.

3b. Match Contributions

CURRENT HOME PROGRAM MATCH LIABILITY

The HOME program requires participating jurisdictions to provide matching funds equal to 25% of the federal contribution. The City’s past expenditures on affordable housing development qualify as matching contributions. Currently the City has documented $3,099,621 in qualifying match credit, which exceeds the requirement for the five years the City has been a participating jurisdiction. For the 2005 program year, the City’s total HOME match liability was $49,933. This, when added to the cumulative match liability since 1996, there remains a carryover match credit reserve of $2,172,567.

HUD Form-4017-A, HOME Match Report is attached (Appendix 3).

3c. Minority and Women Owned Business Analysis


3d. Monitoring and Affirmative Marketing Actions

MONITORING

The City has continued to monitor CDBG Program and HOME Program rental housing for units assisted with CDBG Program funds and State HOME Program funds. All projects were monitored this year for compliance with Program requirements.

There are approximately 268 rental units in the City which have regulatory agreements that require them to be monitored on an annual basis. Typically, these are privately owned units that received public funds and that have rent/occupancy restrictions. During 2005 PY, City staff continued monitoring procedures established during the last reporting period. Monitoring letters were sent out to all owners.
AFFIRMATIVE MARKETING: MINORITY AND WOMEN BUSINESS ENTERPRISES

The City has continued to follow its affirmative marketing program and to solicit minority and women owned businesses. No CDBG or HOME funded awards were given to women owned businesses during the reporting period.

Affirmative Marketing

In its defined role as a Participating Jurisdiction, the City does not directly own or manage any HOME-funded affordable housing projects. The City does, however, fund such projects and requires recipients of HOME funds to comply with all HOME regulations, including the affirmative marketing requirements at 24 CFR Part 92.351.

The City has established an Affirmative Marketing Policy for HOME-assisted units in furtherance of its commitment to non-discrimination and equal opportunity in housing. The Policy outlines the affirmative marketing procedures and practices to be used by owners of affordable housing projects to inform and solicit applications from persons in the housing market who are not likely to apply for such housing without special outreach. The Policy also defines record keeping responsibilities of the owners and the City with regard to affirmative marketing actions.

During PY 2005 the City staff conducted no new on-site inspections or took other actions regarding affirmative marketing requirements.

Minority and Women’s Business Enterprises

The City has established a Minority/Women’s Business Enterprise Policy to provide an equal opportunity for the participation of minority and women’s business enterprises in the procurement of goods and services financed in whole or in part by HUD-assisted programs. The Policy identifies outreach and solicitation measures designed to identify and recruit MBE’s and WBE’s, and also outlines reporting requirements applicable to the Policy.

All contract packages for HOME or CDBG funded housing rehabilitation contracts include standard MBE/WBE clauses which require each contractor to submit a statement as part of his/her bid that affirmative action has been taken to seek out and consider MBE’s and WBE’s for portions of the work to be subcontracted.
APPENDICES

Attached to this report is:


Appendix 2:

- The IDIS Financial Summary for the CDBG Program;
- HUD Form 40107-A, HOME Match Report; HUD Form 4949.3;
- Citizen participation public notice for review period of CAPER; and
- CAPER Certification Statement.

Executive Summary

During each year of the five-year planning period under the City’s proposed 2005-2010 Consolidated Plan, the City prepares an Annual Action Plan, which describes the funding resources, objectives, and relevant program actions anticipated for the coming year. This Annual Action Plan addresses the period from July 1, 2005 to June 30, 2006.

During the 2005 - 2006 fiscal year, the City expects to undertake the following range of activities:

A. AFFORDABLE HOUSING PROJECTS AND ACTIVITIES

1. Affordable Housing Production and Retention:
   • Preservation of At-Risk Housing
   • Homeownership Program
   • Housing Rehabilitation Program
   • Create New Affordable Rental Units (includes Grace Commons (15 Units); Walnut Avenue Woman’s Center (2 Units); & 111 Barson (11 Units funded with Redevelopment Funds)
   • New Affordable Live Work Units (Redevelopment Agency)
   • Rent Subsidies & Assistance (Redevelopment Agency)
   • Code Enforcement Program
   • CHDO Capacity Building
   • Implement & Update Plans (Housing Element & Fair Housing)
   • Preserve/ Increase Inventory Of Affordable Units

2. Planning and Administration Actions for Affordable Housing
   • Fair Housing/Affirmative Marketing
   • Affordable Housing Administration and Monitoring
B. NON-HOUSING COMMUNITY DEVELOPMENT

- Familia Center Neighborhood Support Services
- Beach Flats Community Center Neighborhood Support Services
- Downtown Children’s Center Expansion
- Raymond Street Park

C. HOMELESS ASSISTANCE

- River Street Homeless Shelter
- Interfaith Satellite Shelter
- Homeless Resource Services Center Master Plan
- 111 Barson Street - SRO Formerly Homeless Housing

D. SPECIAL NEEDS POPULATION

- Senior Network Services: Shared Housing Program
- Grace Commons Housing Project

DESCRIPTION OF PROGRAMS

Following are brief descriptions of the federally funded programs to be implemented during the 2005 Plan Year. The principal funding source for these programs will be HOME and CDBG funds. These federal funds will then be leveraged with other public and private sources of funds, as applicable.

The classification assigned to each program (AH: Affordable Housing, HO: Homeless, and CD: Community Development) refer to the priority need and objectives as described in the 2005-2010 Consolidated Plan.
## HCD PROGRAM 2005 Plan Year:
Project/Program Proposal Analyses

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<th>D</th>
<th>NEIGHBORHOOD SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>— FAMILIA CENTER</td>
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<table>
<thead>
<tr>
<th>E</th>
<th>HOMELESS COMMUNITY RESOURCES CENTER</th>
</tr>
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<td></td>
<td>— HOMELESS COMMUNITY RESOURCES CENTER</td>
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<thead>
<tr>
<th>F</th>
<th>COMMUNITY SUPPORT SERVICES - RIVER STREET SHELTER</th>
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<tbody>
<tr>
<td></td>
<td>— SANTA CRUZ COMMUNITY COUNSELING CENTER</td>
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<table>
<thead>
<tr>
<th>G</th>
<th>SENIOR HOUSING PROGRAM</th>
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<tbody>
<tr>
<td></td>
<td>— SENIOR NETWORK SERVICES</td>
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<tr>
<th>H</th>
<th>CREDIT, HOUSING, AND MUCH MORE</th>
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<tr>
<td></td>
<td>— CONSUMER COUNSELING CREDIT SERVICES</td>
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### OTHER

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<thead>
<tr>
<th>I</th>
<th>CODE ENFORCEMENT PROGRAM</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>— DEPARTMENT OF PLANNING &amp; COMMUNITY DEVELOPMENT, CITY OF SANTA CRUZ</td>
</tr>
</tbody>
</table>
PROJECT: GRACE COMMONS

LOCATION: 1051 CAYUGA STREET

ORGANIZATION: CORPORATION FOR AFFORDABLE COMMUNITY HOUSING (CACH)

PROJECT DESCRIPTION: This fifteen unit apartment project would provide supported housing for 14 adults with psychiatric disabilities and one manager’s unit. Accessible design principals will be applied throughout the development with the first floor being completely handicap-accessible.

USE OF FUNDS: Funding will help pay for acquisition, predevelopment, and/or construction costs.

CITY PERMIT REQUIREMENTS: The project may require subdivision of the site, a possible zone change, and a use permit for the number of residential units.

ENVIRONMENTAL REVIEW: The application will require review under CEQA and NEPA. Categorical exemptions and exclusions may apply.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The project qualifies for funding under the HOME Program as a Rental Housing project, under 24 CFR, Part 92.205.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Housing priority need H6 and Special Needs priority #2 in the current Five Year Consolidated Plan 2000-2005. Similar objectives will be carried over to the 2005-2010 Consolidated Plan.

“H6 Continue to work with non-profit and for-profit developers in producing new rental housing that will be affordable to extremely low, very low, and low-income households.”
“SP2 Continue to work with non-profit organizations improving housing options for the special needs populations of elderly, female heads of households with children, persons with physical disabilities, persons with mental disabilities and persons with HIV/AIDS.”

COMMENTS:

This activity would provide housing for an underserved population. It is expected to be included in a specific objective under the goals of the proposed 2005-2010 Consolidated Plan. The activity is the only CHDO project being proposed.

**CATEGORY: PUBLIC FACILITY PROJECT ITEM INDEX B**

**PROJECT: RAYMOND STREET PARK, BEACH FLAT COMMUNITY CENTER**

**LOCATION:** 200 RAYMOND STREET

**APPLICANT:** DEPARTMENT OF PARKS & RECREATION

**PROJECT DESCRIPTION:** The proposed Raymond Street Park would include community gardens, a children’s play area and a small public plaza. The site, which is slightly less than one half of an acre in size, was vacated when the temporary Beach Flats Community Center facility was relocated to its permanent location as a part of the Nueva Vista development.

**USE OF FUNDS:** Funds may be used for predevelopment expenses and/or construction. Total cost of the park is estimated to be $449,000.

**CITY PERMIT REQUIREMENTS:** City building permits will be required when construction documents are submitted.

**ENVIRONMENTAL REVIEW:** The project may be included under the CEQA and NEPA analyses that were adopted for the Nueva Vista and Beach Flats Community Center.

**STAFF ANALYSIS**

**HCD PROGRAM ELIGIBILITY:**
The project qualifies as a Public Facility, eligible under 24 CFR Part 570.201c. The national objective, under the HCD Program regulations, is to serve at least 51% low- or moderate-income clientele.

CONSOLIDATED PLAN CONSISTENCY:

The project is included in the current Five Year Consolidated Plan 2000-2005 under CD #3.

“CD #3. During the next five years, assist in the development of park, recreational, childcare and other facilities that will benefit the residents of the Beach Flats Area.”

COMMENTS: This project will complete the Nueva Vista and Beach Flats Community Center development and as such will be added to the Section 108 loan that was secured for the Beach Flats Community Center. The proposed park will be constructed in an area of the City that is currently underserved for parks.

**CATEGORY: PUBLIC FACILITY PROJECT ITEM INDEX C**

**PROJECT: DOWNTOWN CHILDREN’S CENTER EXPANSION PROJECT**

**LOCATION:** 303 WALNUT AVENUE  
**APN:** 6-472-05

**APPLICANT:** WALNUT AVENUE WOMEN’S CENTER

**PROJECT DESCRIPTION:** This application requests CDBG funds to expand and replace an existing structure which serves as a childcare center. The new building consists of a new 4482 square foot two story building with childcare on the first floor and two residential apartments on the second floor. A future phase calls for some minor additions to the existing historic structure on site, adding approximately 1800 square feet of new space.

**USE OF FUNDS:** The applicant has received grants totaling $70,000 from the CDBG Program over the last four years. These funds have been used for project design costs. In addition, $228,550 was allocated last year for the construction of two residential units to be built over the Childcare Center. The current request for $100,000 from the CDBG Program would be to continue predevelopment costs as well as some construction costs for the facility.

**CITY PERMIT REQUIREMENTS:** the applications for modification of existing Use Permits, Design Permits and Historic Alteration Permits for the site have been approved by
the City. City building permits will be required when construction documents have been proposed and submitted to the City.

ENVIRONMENTAL REVIEW: Funding associated with architectural engineering costs are Exempt (24 CFR Part 58.34 (a) (8)). Other predevelopment costs are Categorically Excluded (24 CFR Part 58.35(b) (6)). These phases of environmental review have been completed.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The project qualifies as a Public Facility Rehabilitation, eligible under 24 CFR Part 570.201c. The Women’s Health Center provides affordable health services to local women. The national objective, under the HCD Program regulations, is to serve at least 51% low- or moderate-income clientele.

CONSOLIDATED PLAN CONSISTENCY:

The project is included in the current Five Year Consolidated Plan 2000-2005 under CD-A #5.

“CD-A #5. Support the construction and rehabilitation of facilities for organizations that provide support to low and moderate income households with direct financing and revolving loan funds. Annually, identify one project for new or continued funding.”

COMMENTS: Over the years, the applicant has shown progress in predevelopment work and has indicated that construction is expected to start within the next year. The application is consistent with the Consolidated Plan, although not one of the highest priorities.

CATEGORY: PUBLIC SERVICES

PROJECT: NEIGHBORHOOD SERVICES
LOCATION: 711 EAST CLIFF DRIVE
APN: 10-166-26
CENSUS TRACTS: 1008; 1010
ORGANIZATION: FAMILIA CENTER
PROJECT DESCRIPTION: This activity is a consistent component of the Beach Target Area Strategy and has been historically supported by Council. The activity was established through the use of CDBG funds in the early 1980s and has been funded continuously since. Familia Center provides public social services to the residents of the Beach Flats and Lower Ocean Street areas.

USE OF FUNDS: The applicant will use funding for staff salaries and benefits, miscellaneous overhead costs, rent and similar operating costs.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The activity is eligible under the CDBG regulations at 24 CFR, Part 570.201e. The public service organization has been a core use in support of Beach area upgrading efforts. The National Objective is achieved under the area benefit, serving an area where at least 51% of the residents are low- and moderate-income persons.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Public Services priority need CD4 in the current Five Year Consolidated Plan 2000-2005.

“CD4 Continue to support the services and activities of non-profit organizations in the Beach/ Lower Ocean Street areas. During the plan period, use CDBG funds for assistance to Familia Center to continue their outreach and support services in the Beach neighborhoods.”

COMMENTS:

Under City established CDBG Public Service Policy, this would be a high priority for funding in the CDBG Program. The activity is in a specific objective listed in the goals of the current and past Consolidated Plans. It has been continuing since 1983.

CATEGORY: PUBLIC SERVICES  ITEM INDEX E
PROJECT: HOMELESS COMMUNITY RESOURCES CENTER
LOCATION: 115 CORAL STREET APN: 8-171-04
ORGANIZATION: HOMELESS COMMUNITY RESOURCES CENTER

PROJECT DESCRIPTION: This activity funds the Homeless Community Resources Center operating costs. The center, established in 1993, is the cornerstone of homeless services for the city and county population. It gives daily food, laundry, showers and similar social services to the homeless population. Services also include the Interfaith Shelter Program which provides nightly shelter for homeless persons who are not sheltered at the National Guard Armory or the River Street Shelter.

USE OF FUNDS: The applicant will use funds for staff salaries and benefits, miscellaneous overhead costs, rent and similar operating costs.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The activity is eligible under the CDBG regulations at 24 CFR, Part 570.201e. It serves a large population of homeless individuals who are in the lowest income category of the national objective of limited clientele, benefiting low- and moderate-income persons.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Homeless priority need HO #1 in the current Five Year Consolidated Plan 2000-2005. This objective will be carried over to the 2005-2010 Consolidated Plan.

“HO #1 Over the next five years, continue to support services and organizations that assist homeless individuals and families, including the Homeless Services Center, River Street Homeless Shelter and the Interfaith Satellite Shelter Program.”

COMMENTS:

The activity has continued since 1993 and is in a specific objective listed in the goals of the current and proposed Consolidated Plans. It is a critical component of our homeless services.
CATEGORY: PUBLIC SERVICES

PROJECT: RIVER STREET HOMELESS SHELTER
LOCATION: 733 RIVER STREET APN: 8-171-32
ORGANIZATION: SANTA CRUZ COMMUNITY COUNSELING CENTER

PROJECT DESCRIPTION: This activity supports the City's principal homeless shelter. It achieves primary goals concerning homeless services and comprises a part of the City’s homeless services strategy. It provides shelter at the facility constructed in 1989 at the Homeless Community Resources Center campus.

USE OF FUNDS: The applicant will use funds requested for staff salaries and benefits, miscellaneous overhead and operating costs.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The activity is eligible under the CDBG regulations at 24 CFR, Part 570.201e. It serves a large population of homeless individuals who are in the lowest income category of the national objective of limited clientele, benefiting low- and moderate-income persons.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Homeless priority need HO #1 in the current Five Year Consolidated Plan 2000-2005.

“HO #1 Over the next five years, continue to support services and organizations that assist homeless individuals and families, including the Homeless Services Center, River Street Homeless Shelter and the Interfaith Satellite Shelter Program.”

COMMENTS:

The activity has continued since 1992 and is in a specific objective listed in the goals of the current and proposed Consolidated Plans.
CATEGORY: PUBLIC SERVICES  ITEM INDEX G

PROJECT: SHARED HOUSING PROGRAM
LOCATION: CITYWIDE
ORGANIZATION: SENIOR NETWORK SERVICES

PROJECT DESCRIPTION: This activity provides counseling and shared housing placement services for low-income seniors.

USE OF FUNDS: The applicant will use funds requested for staff salaries and benefits, miscellaneous overhead costs, rent and similar operating costs.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The activity is eligible under the CDBG regulations at 24 CFR, Part 570.201e. It serves senior residents of the City who are in the lowest income category. The national objective achieved is limited clientele, benefiting low- and moderate-income persons.

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Special Populations priority need SP #1 in the current Five Year Consolidated Plan 2000-2005.

“SP #1 Continue to provide CDBG funds to Senior Network Services to assist with their programs for housing assistance to elderly households.”

COMMENTS:

The activity has continued since 1990 and is in a specific objective listed in the goals of the current and proposed Consolidated Plans.
CATEGORY: PUBLIC SERVICES

PROJECT: CREDIT, HOUSING, AND MUCH MORE
LOCATION: CITYWIDE
ORGANIZATION: CONSUMER COUNSELING CREDIT SERVICES

PROJECT DESCRIPTION: This activity would provide individual budgeting, housing, credit and debt counseling for approximately 150 low and moderate income residents.

USE OF FUNDS: The applicant would use funds requested for staff salaries and benefits, miscellaneous overhead costs, rent and similar operating costs.

STAFF ANALYSIS

HCD PROGRAM ELIGIBILITY:

The activity is eligible under the CDBG regulations at 24 CFR, Part 570.201e. The national objective achieved is limited clientele, benefiting low- and moderate-income persons.

CONSOLIDATED PLAN CONSISTENCY:

This activity is not included in the current Five Year Consolidated Plan 2000-2005.

COMMENTS:

This proposal is not recommended for funding since it is not identified in the current Consolidated Plan and it is not anticipated to be included in the proposed objectives for the 2005-2010 Consolidated Plan. Given the limited amount of CDBG funds that are available, competing programs that are being recommended for funding address higher priority needs.
CATEGORY: OTHER (Public Facility Program) ITEM INDEX I

PROJECT: CODE ENFORCEMENT

(Note: This is an ongoing commitment. Although a summary is provided here, an application was not required and therefore application material is not included in Section 4 of this Notebook.)

LOCATION: EXPANDED TARGET AREA

ORGANIZATION: CITY OF SANTA CRUZ

PROJECT DESCRIPTION: This activity provides funding for housing-oriented code enforcement staffing in the Code Enforcement Target Areas. Funding provides for two code enforcement officers. The enforcement efforts are critical for creating and maintaining a safe and secure housing environment.

GRANT REQUEST/USE OF FUNDS: The request is for $140,000. The current amount will cover two staff positions’ salary and benefits.

HCD PROGRAM ELIGIBILITY: The activity is eligible under the CDBG regulations at 24 CFR, Part 570.202c.

STAFF ANALYSIS

CONSOLIDATED PLAN CONSISTENCY:

This activity supports Housing priority need H7 in the current Five Year Consolidated Plan 2000-2005. A similar objective will be carried over to the 2005-2010 Consolidated Plan.

“H7 Using CDBG funds, continue to administer a code enforcement program with special emphasis in the Beach/ South of Ocean Street areas.”

COMMENTS:

This activity is included in a specific objective listed in the goals of the current Consolidated Plan. It has been continuing since 1993 and has been a critical component for preserving affordable housing in the City.
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 following page (Illustration #1) are the resources anticipated during the 2005 program year.

Illustration #1: Financial Resources, Annual Action Plan 2005 Program Year

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Funding Level</th>
<th>Use of Funds, 2005 Program Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development Block Grant Funds</td>
<td>$697,894</td>
<td>• Housing Rehabilitation Program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Code Enforcement (Target Areas)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Beach Flats Community Center (Section 108 Loan Repayment &amp; Raymond</td>
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<td></td>
<td></td>
<td>Street Park)</td>
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<tr>
<td></td>
<td></td>
<td>• Familia Center Neighborhood Support Services</td>
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<tr>
<td></td>
<td></td>
<td>• Homeless Services Center – Services &amp; Improvements</td>
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<tr>
<td></td>
<td></td>
<td>• Downtown Children’s Center</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Senior Network Services: Shared Housing Program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Historic District Signage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Administration</td>
</tr>
<tr>
<td>Program Income</td>
<td>$93,195.41</td>
<td>• First Time Homebuyer Program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Housing Program Fund (rehab)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Grace Commons Housing Project</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Walnut Avenue Women’s Center Apartment Project</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• CHDO Operation Expenses</td>
</tr>
<tr>
<td>Reprogrammed Prior Year Funds</td>
<td>$0</td>
<td>• Administration</td>
</tr>
<tr>
<td>HOME Funds</td>
<td>$597,779</td>
<td>• Emergency Rent/Mortgage Assistance</td>
</tr>
<tr>
<td>Program Income</td>
<td>$15,827</td>
<td>• Live/Work Program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Security Deposit &amp; Guarantee of Last Month’s Rent Program</td>
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<tr>
<td></td>
<td></td>
<td>• Set-Aside for Affordable Rental Housing*</td>
</tr>
<tr>
<td>Reprogrammed Prior Year Funds</td>
<td>$0</td>
<td>• Administration</td>
</tr>
<tr>
<td>Redevelopment Tax Increment Funds</td>
<td>$1,250,000</td>
<td>• Set-Aside for Affordable Housing*</td>
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<tr>
<td>Affordable Housing Trust Fund</td>
<td>$822,000</td>
<td>• Administration</td>
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<tr>
<td>TOTAL</td>
<td>$3,476,695</td>
<td>*Funds are set-aside in these programs in order to accumulate a</td>
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<td></td>
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<td>sufficient level of funding to assist with the preservation of</td>
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<td>“at risk” housing or the development of new affordable housing units.*</td>
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<td>-------------------------------------------------------------------------</td>
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<tr>
<td><strong>Public Facilities and Improvements</strong></td>
<td></td>
<td></td>
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<tr>
<td>Activity: Beach Flats Community Center - Section 108 Loan Repayment</td>
<td>$250,000</td>
<td>$205,000</td>
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<tr>
<td>Organization: City of Santa Cruz (Grantee)</td>
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<tr>
<td>Activity: Raymond Street Park</td>
<td>0</td>
<td>$80,000</td>
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<td>Organization: City of Santa Cruz (Grantee)</td>
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<tr>
<td>Activity: Homeless Services Center - Hygiene Center Rehabilitation Project</td>
<td>$268,000</td>
<td>$47,181</td>
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<td>Organization: City of Santa Cruz (Grantee)</td>
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<tr>
<td>Activity: Downtown Children’s Ctr. Expansion</td>
<td>$20,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Organization: Walnut Avenue Woman’s Center</td>
<td></td>
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<tr>
<td><strong>Code Enforcement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity: Code Enforcement in Target Area</td>
<td>$140,000</td>
<td>$140,000</td>
</tr>
<tr>
<td>Organization: City of Santa Cruz (Grantee)</td>
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<td></td>
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<tr>
<td><strong>Total Project Allocation</strong></td>
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<td><strong>Total Project Carry Over</strong></td>
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<tr>
<td><strong>Total Allocation from Section 108 Loan</strong></td>
<td></td>
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</tr>
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## FORMULA ACTIVITIES

### FY 2005–2006

#### Requested

<table>
<thead>
<tr>
<th>Public Services (15% Cap = $131,625)</th>
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<tbody>
<tr>
<td><strong>Activity:</strong> Homeless Community Resource Center</td>
<td><strong>Organization:</strong> Homeless Resource Center</td>
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<tr>
<td><strong>Activity:</strong> Interfaith Satellite Shelter</td>
<td><strong>Organization:</strong> Homeless Resource Center</td>
</tr>
<tr>
<td><strong>Activity:</strong> River Street Homeless Shelter</td>
<td><strong>Organization:</strong> Santa Cruz Community Counseling Center</td>
</tr>
<tr>
<td><strong>Activity:</strong> Senior Housing Placement</td>
<td><strong>Organization:</strong> Senior Network Services</td>
</tr>
<tr>
<td><strong>Activity:</strong> Neighborhood Services</td>
<td><strong>Organization:</strong> Familia Center</td>
</tr>
<tr>
<td><strong>Activity:</strong> Neighborhood Services – Beach Flats Community Center</td>
<td><strong>Organization:</strong> City of Santa Cruz (Grantee)</td>
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#### Amount Funded

<table>
<thead>
<tr>
<th>Public Services (15% Cap = $131,625)</th>
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<tbody>
<tr>
<td><strong>Activity:</strong> Homeless Community Resource Center</td>
<td><strong>Organization:</strong> Homeless Resource Center</td>
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<td><strong>Activity:</strong> Interfaith Satellite Shelter</td>
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<tr>
<td><strong>Activity:</strong> River Street Homeless Shelter</td>
<td><strong>Organization:</strong> Santa Cruz Community Counseling Center</td>
</tr>
<tr>
<td><strong>Activity:</strong> Senior Housing Placement</td>
<td><strong>Organization:</strong> Senior Network Services</td>
</tr>
<tr>
<td><strong>Activity:</strong> Neighborhood Services</td>
<td><strong>Organization:</strong> Familia Center</td>
</tr>
<tr>
<td><strong>Activity:</strong> Neighborhood Services – Beach Flats Community Center</td>
<td><strong>Organization:</strong> City of Santa Cruz (Grantee)</td>
</tr>
</tbody>
</table>

#### Total Public Service Allocation

|  |
|--------------------------|--------------------------|
| Total Public Service Allocation | $126,734 |

#### Program Administration / Planning and Capacity Building (20% Cap = $168,979)

|  |
|--------------------------|--------------------------|
| **Activity:** Grant Administration / Planning | **Organization:** City of Santa Cruz (Grantee) |

#### Housing Program

|  |
|--------------------------|--------------------------|
| **Activity:** City Housing Services Program | **Organization:** City of Santa Cruz (Grantee) |

#### Total Formula Allocation

|  |
|--------------------------|--------------------------|
| Total Formula Allocation | $315,979 |

#### Total Allocated Funds

|  |
|--------------------------|--------------------------|
| Total Allocated Funds | $819,779 |

#### Grand Total — CDBG Activities

|  |
|--------------------------|--------------------------|
| Grand Total — CDBG Activities | $819,779 |
## ANNUAL HOME ACTIVITIES STATEMENT: 2005 PROGRAM YEAR

**Adopted: 5/10/05 Resolution # NS-26,569**

### PROJECTS

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Activity: First Time Homebuyer Program -</td>
<td>$183,257</td>
<td>0</td>
<td>[$133,629]</td>
</tr>
<tr>
<td>Activity: Housing Program Fund</td>
<td>$231,409</td>
<td>0</td>
<td>$251,801</td>
</tr>
<tr>
<td>Activity: Walnut Ave. Women’s Ctr. Apartments</td>
<td>$228,550</td>
<td>370,000</td>
<td>[$228,550]</td>
</tr>
</tbody>
</table>

Total Project Allocation: $251,801
Total Project Carryover: [$593,588]

### FORMULA & CHDO ACTIVITIES

<table>
<thead>
<tr>
<th>CHDO Activities (15% Setaside = $89,667)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity: Grace Commons Housing Project</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHDO Operating Costs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity: CACH/Grace Commons Housing Project</td>
<td>$31,186</td>
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<table>
<thead>
<tr>
<th>Program Administration</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity: Grant Administration</td>
<td>$75,273</td>
</tr>
</tbody>
</table>

Total Formula & CHDO Activities: $667,978
Total Formula & CHDO Carryover: [$13,793]

Total Allocated Funds: $919,779
Total Estimated Carryover: [$607,381]

Grand Total — HOME Program: $1,527,160
## FINANCIAL SUMMARY OF CDBG FUNDING 2005 PY

### PART I: SUMMARY OF CDBG RESOURCES

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR</td>
<td>$604,109.72</td>
</tr>
<tr>
<td>2</td>
<td>ENTITLEMENT GRANT</td>
<td>$697,894.00</td>
</tr>
<tr>
<td>3</td>
<td>SURPLUS URBAN RENEWAL</td>
<td>$0.00</td>
</tr>
<tr>
<td>4</td>
<td>SECTION 108 GUARANTEED LOAN FUNDS</td>
<td>$0.00</td>
</tr>
<tr>
<td>5</td>
<td>CURRENT YEAR PROGRAM INCOME</td>
<td>$74,057.34</td>
</tr>
<tr>
<td>6</td>
<td>RETURNS</td>
<td>$0.00</td>
</tr>
<tr>
<td>7</td>
<td>ADJUSTMENT TO COMPUTE TOTAL AVAILABLE</td>
<td>$0.00</td>
</tr>
<tr>
<td>8</td>
<td>TOTAL AVAILABLE (SUM, LINES 01-07)</td>
<td>$1,376,061.06</td>
</tr>
</tbody>
</table>

### PART II: SUMMARY OF CDBG EXPENDITURES

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION</td>
<td>$365,939.13</td>
</tr>
<tr>
<td>10</td>
<td>ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT</td>
<td>$0.00</td>
</tr>
<tr>
<td>11</td>
<td>AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)</td>
<td>$365,939.13</td>
</tr>
<tr>
<td>12</td>
<td>DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION</td>
<td>$120,316.34</td>
</tr>
<tr>
<td>13</td>
<td>DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS</td>
<td>$91,711.33</td>
</tr>
<tr>
<td>14</td>
<td>ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES</td>
<td>$0.00</td>
</tr>
<tr>
<td>15</td>
<td>TOTAL EXPENDITURES (SUM, LINES 11-14)</td>
<td>$577,966.80</td>
</tr>
<tr>
<td>16</td>
<td>UNEXPENDED BALANCE (LINE 08 - LINE 15)</td>
<td>$798,094.26</td>
</tr>
</tbody>
</table>

### PART III: LOW/MOD BENEFIT THIS REPORTING PERIOD

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS</td>
<td>$0.00</td>
</tr>
<tr>
<td>18</td>
<td>EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING</td>
<td>$0.00</td>
</tr>
<tr>
<td>19</td>
<td>DISBURSED FOR OTHER LOW/MOD ACTIVITIES</td>
<td>$293,263.13</td>
</tr>
<tr>
<td>20</td>
<td>ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT</td>
<td>$0.00</td>
</tr>
<tr>
<td>21</td>
<td>TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)</td>
<td>$293,263.13</td>
</tr>
<tr>
<td>22</td>
<td>PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)</td>
<td>80.14%</td>
</tr>
</tbody>
</table>

### PART IV: PUBLIC SERVICE (PS) CAP CALCULATIONS

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>DISBURSED IN IDIS FOR PUBLIC SERVICES</td>
<td>$126,572.00</td>
</tr>
<tr>
<td>28</td>
<td>PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR</td>
<td>$0.00</td>
</tr>
<tr>
<td>29</td>
<td>PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR</td>
<td>$0.00</td>
</tr>
<tr>
<td>30</td>
<td>ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS</td>
<td>$0.00</td>
</tr>
<tr>
<td>31</td>
<td>TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)</td>
<td>$126,572.00</td>
</tr>
<tr>
<td>32</td>
<td>ENTITLEMENT GRANT</td>
<td>$697,894.00</td>
</tr>
<tr>
<td>33</td>
<td>PRIOR YEAR PROGRAM INCOME</td>
<td>$93,195.41</td>
</tr>
<tr>
<td>34</td>
<td>ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP</td>
<td>$0.00</td>
</tr>
<tr>
<td>35</td>
<td>TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)</td>
<td>$791,089.41</td>
</tr>
<tr>
<td>36</td>
<td>PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)</td>
<td>16.00%</td>
</tr>
</tbody>
</table>

### PART V: PLANNING AND ADMINISTRATION (PA) CAP

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>37</td>
<td>DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION</td>
<td>$120,316.34</td>
</tr>
<tr>
<td>38</td>
<td>PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR</td>
<td>$0.00</td>
</tr>
<tr>
<td>39</td>
<td>PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR</td>
<td>$0.00</td>
</tr>
<tr>
<td>40</td>
<td>ADJUSTMENT TO COMPUTE TOTAL PA OBLIGATIONS</td>
<td>$0.00</td>
</tr>
<tr>
<td>41</td>
<td>TOTAL PA OBLIGATIONS (LINE 37 + LINE 38 - LINE 39 + LINE 40)</td>
<td>$120,316.34</td>
</tr>
<tr>
<td>42</td>
<td>ENTITLEMENT GRANT</td>
<td>$697,894.00</td>
</tr>
<tr>
<td>43</td>
<td>CURRENT YEAR PROGRAM INCOME</td>
<td>$74,057.34</td>
</tr>
<tr>
<td>44</td>
<td>ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP</td>
<td>$0.00</td>
</tr>
<tr>
<td>45</td>
<td>TOTAL SUBJECT TO PA CAP (SUM, LINES 42-44)</td>
<td>$771,951.34</td>
</tr>
<tr>
<td>46</td>
<td>PERCENT FUNDS OBLIGATED FOR PA ACTIVITIES (LINE 41/LINE 45)</td>
<td>15.59%</td>
</tr>
</tbody>
</table>
Annual Performance Report
HOME Program
U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owners or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and expenditure deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain project-specific data elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

Submit this form to the appropriate HUD Field Office and one copy to:
HOME Program, Room 7176, 451 7th Street, S.W., Washington D.C. 20410

Part I Participant Identification

1. Participant Number
   MD4-MOE802236

2. Participant Name
   City of Santa Cruz

3. Name of Person completing this report
   Carol Berg

4. Phone Number (include Area Code)
   931-420-5108

5. Address
   204 Center Street Room 206

6. City
   Santa Cruz

7. State
   CA

8. Zip Code
   95060

Part II Program Income

Enter the following program income amounts for the reporting period: In block 1, enter the balance on hand at the beginning; in block 2, enter the amount generated; in block 3, enter the amount expended; and in block 4, enter the amount for Tenant-Based Rental Assistance.

1. Balance on hand at beginning of Reporting Period $160,071
2. Amount received during Reporting Period $15,827
3. Total amount expended during Reporting Period $28,570
4. Amount expended for Tenant-Based Rental Assistance $0
5. Balance on hand at end of Reporting Period ($1 - $2 - $3) $167,328

Part III Minority Business Enterprises (MBE) and Women Business Enterprises (WBE)

In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.

A. Contracts
   1. Number
   0

B. Sub-Contracts
   1. Number
   0

C. Contracts
   1. Number
   0
### Part IV Minority Owners of Rental Property

In the table below, indicate the number of HOME assisted rental property owners and the total dollar amount of HOME funds in these in during the reporting period.

<table>
<thead>
<tr>
<th></th>
<th>a. Total</th>
<th>b. Alaskan Native or American Indian</th>
<th>c. Asian or Pacific Islander</th>
<th>d. Black Non-Hispanic</th>
<th>e. Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Number</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Dollar Amount</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Part V Relocation and Real Property Acquisition

Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of provided should reflect only displacements and acquisitions occurring during the reporting period.

<table>
<thead>
<tr>
<th></th>
<th>a. Number</th>
<th>b. Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Parcels Acquired</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2. Businesses Displaced</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3. Nonprofit Organizations Displaced</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4. Households Temporarily Relocated, not Displaced</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Households Displaced</th>
<th>a. Total</th>
<th>b. Alaskan Native or American Indian</th>
<th>c. Asian or Pacific Islander</th>
<th>d. Black Non-Hispanic</th>
<th>e. Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Households Displaced - Number</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Households Displaced - Cost</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part II Fiscal Year Summary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Excess match from prior Federal fiscal year</td>
<td>$2,222,469.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Match contributed during current Federal fiscal year (see Part III)</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Total match available for current Federal fiscal year (line 1 + line 2)</td>
<td>$2,222,469.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Match liability for current Federal fiscal year</td>
<td>$49,933.11</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Excess match carried over to next Federal fiscal year (line 3 minus line 4)</td>
<td>$2,172,536.77</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part III Match Contribution for the Federal Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No. or Other ID</td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td>None</td>
</tr>
</tbody>
</table>