City of Watsonville

2020 CAPER

Community Development Block Grant

Consolidated Annual Performance and Evaluation Report

Program Year 2020-2021
(July 1, 2020-June 30, 2021)

Community Development Department
Suzi Merriam, Director
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Executive Summary

The City of Watsonville (City) is a recipient of federal entitlement grant funding from the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grants (CDBG). As a recipient of these funds, the City is required (pursuant 24 CFR 91.520) to prepare a Consolidated Annual Performance Evaluation Report (CAPER) annually to evaluate the City’s overall progress and performance in meeting the following priority activities identified within its five-year Consolidated Plan and the Annual Action Plan:

- Access to community and social services;
- Improve accessibility to persons with disabilities;
- Provide quality facilities and infrastructure;
- Assist microbusinesses; and
- Prevent, prepare for, and respond to the coronavirus pandemic.

Despite the unprecedented challenges that the coronavirus pandemic presented in Program Year 2020 (PY2020), the City of Watsonville and its partners remained steadfast in the face of all challenges and made diligent efforts to effectively administer CDBG programs and activities in order to lessen the impacts of COVID-19.

This document represents the City of Watsonville’s PY2020 CAPER related to the City’s CDBG Program. The CAPER provides HUD, the public, and the City an opportunity to review Seaside’s housing and community development accomplishments for PY2020, with a special focus on those activities funded by the CDBG program.

Please note that this report is a draft and changes will be made as new information is received.
CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

The City of Watsonville prepared the current 2020-2024 Consolidated Plan, which was approved by the U.S. Department of Housing and Urban Development (HUD) in April 2021. This is the first reporting year of the Consolidated Annual Performance and Evaluation Report (CAPER) for the period of July 1, 2020 through June 30, 2021 under the 2020-2024 Consolidated Plan. The CAPER describes a general assessment of the City’s progress in carrying out projects and programs during the 2020 program year with the use of the Community Development Block Grant (CDBG) funds, provided by HUD, primarily to benefit low- and moderate-income persons (LMI) and or areas.

HUD for fiscal year 2020-2021 was $754,617. In addition, this year the City received an supplemental funds in the amount of $950,244 through the CARES Act ($443,984 in the first round of CDBG-CV funds plus $506,260 in the third round) to support preparation for and response to the community impacts of the COVID-19 pandemic. Program income receipts for 2020-2021 totaled $126,482. This is in addition to any balances that may be reprogrammed or carried over from 2019-2020 program year. Therefore, a total of $906,099 was available for normal CDBG-eligible activities and $950,244 was available specifically to assist in the response, prevention and recovery of the COVID-19 state of emergency.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)
Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals.
<table>
<thead>
<tr>
<th>Goal</th>
<th>Category</th>
<th>Source / Amount</th>
<th>Indicator</th>
<th>Unit of Measure</th>
<th>Expected – Strategic Plan</th>
<th>Actual – Strategic Plan</th>
<th>Percent Complete</th>
<th>Expected – Program Year</th>
<th>Actual – Program Year</th>
<th>Percent Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing</td>
<td>Affordable Housing</td>
<td>CDBG: $</td>
<td>Rental units rehabilitated</td>
<td>Household Housing Unit</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>Affordable Housing</td>
<td>CDBG: $</td>
<td>Homeowner Housing Rehabilitated</td>
<td>Household Housing Unit</td>
<td>3</td>
<td>0</td>
<td>33.33%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>Affordable Housing</td>
<td>CDBG: $</td>
<td>Housing Code Enforcement/ Foreclosed Property Care</td>
<td>Household Housing Unit</td>
<td>500</td>
<td>188</td>
<td>37.60%</td>
<td>50</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Economic Development</td>
<td>Non-Housing Community Development</td>
<td>CDBG: $</td>
<td>Businesses assisted</td>
<td>Businesses Assisted</td>
<td>50</td>
<td>155</td>
<td>310.00%</td>
<td>50</td>
<td>206</td>
<td>412.00%</td>
</tr>
<tr>
<td>Economic Development</td>
<td>Non-Housing Community Development</td>
<td>CDBG: $</td>
<td>Other</td>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Public Facilities</td>
<td>Public Facilities</td>
<td>CDBG: $</td>
<td>Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit</td>
<td>Persons Assisted</td>
<td>7320</td>
<td>142805</td>
<td>1,950.89%</td>
<td>16382</td>
<td>1605</td>
<td>9.80%</td>
</tr>
<tr>
<td>Public Services</td>
<td>Public Services</td>
<td>CDBG: $</td>
<td>Public service activities other than Low/Moderate Income Housing Benefit</td>
<td>Persons Assisted</td>
<td>350</td>
<td>434</td>
<td>124.00%</td>
<td>350</td>
<td>199</td>
<td>56.86%</td>
</tr>
</tbody>
</table>

Table 1 - Accomplishments – Program Year & Strategic Plan to Date
Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The City accomplished several of the goals outlined in the Consolidated Plan and continues to make every effort to meet the community needs through many service programs, park and facility improvements, and provide suitable living environments through code enforcement despite the unprecedented challenges that the coronavirus pandemic presented in Program Year 2020 (PY2020). The City of Watsonville remained steadfast in the face of all challenges and made diligent efforts to effectively administer CDBG programs and activities in order to lessen the impacts of COVID-19.

The City provided a $75,000 grant to the El Pájaro Community Development Corporation (EPCDC) for operation of their small business technical assistance programs. EPCDC staff had to prioritize responding to the needs of clients by providing technology coaching, assistance in access to resources and funding due to the COVID-19 pandemic. Clients were coached with the use of virtual conferencing, software programs, and using online applications. As staff noticed client acceptance of the online access to services, staff began a plan to revamp training with the goal to a hybridized training and technical assistance model. EPCDC has increased its commitment to building stronger infrastructure for businesses and launched new programs. EPCDC provided technical assistance to 88 business owners and 15 pre-venture clients.

The City provided a $270,000 grant to Second Harvest Food Bank (SHFB) for food distribution. Due to the widespread pandemic, all food bank services were directed to COVID-19 relief and response. The food bank provided over 2,685,844 pounds of food to Watsonville residents. This figure highlights the increase in poundage necessary to meet the needs prompted by COVID-19.

The City also provided a grant of $85,000 to Community Bridges-Meals on Wheels Program (MOW) for food distribution to adults 60 years or older. Meals on Wheels provided home delivered meals to 435, 60 years of age or older, residing in Watsonville and Freedom. MOW exceeded the original projected number of older adults to be provided home delivered meals. 435 older adults were served which exceeded the grant proposal by 122 eligible older adults 60+.

The City also provided a $100,000 grant to Community Action Board (CAB) to provide emergency housing assistance to low and moderate income families. CAB was able to financially assist and prevent 67 households from being evicted. The City continues to work in partnership with CAB to prevent households from being evicted. The City is also using over $320,000 for its emergency housing assistance program to assist renters affected by the COVID-19 economic crisis. Although, the City will assist its residents once the CA COVID-19 Rent Relief assistance has
been exhausted. The City’s Parks and Community Services Department (PCSD) organizes various special events for youth at various community centers and park facilities. The Youth Center was unfortunately closed due to the shelter-in-place order caused by the COVID-19 pandemic. The department reopened several programs with guidelines and safety protocols to prevent the exposure of COVID-19. This year the Youth Center also started its transition into being an additional site for the Watsonville Police Activities League (WPAL). The PCSD Youth Center continues to provide a safe place for youth to gather and engage in prosocial activities that foster human development and create healthy lifestyles.

The City continues its commitment in providing focused and enhanced code enforcement in specific geographic areas. The purpose of the Program is to use code enforcement in conjunction with other City programs to reverse the decline and revitalize the areas so that community pride and commitment can support permanent change.

The City continues to promote and works on exploring ways to attract residents to take advantage of this program and is hopeful to complete additional rehab projects in the coming years.
CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).
91.520(a)

<table>
<thead>
<tr>
<th></th>
<th>CDBG</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>3,342</td>
</tr>
<tr>
<td>Black or African American</td>
<td>305</td>
</tr>
<tr>
<td>Asian</td>
<td>424</td>
</tr>
<tr>
<td>American Indian or American Native</td>
<td>4</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,080</strong></td>
</tr>
<tr>
<td>Hispanic</td>
<td>64</td>
</tr>
<tr>
<td>Not Hispanic</td>
<td>4,016</td>
</tr>
</tbody>
</table>

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The City strives to make all of its programs and activities available to eligible low- and moderate-income residents regardless of sex, race, religious background, or disability. All of the CDBG-funded public service programs, including senior services, are youth services, are available to residents citywide. Projects that focus on facility or infrastructure improvements are generally limited to the CDBG target area or group to help make sure they benefit as many low- and moderate-income residents as possible.
CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Source</th>
<th>Resources Made Available</th>
<th>Amount Expended During Program Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG</td>
<td>public - federal</td>
<td>1,550,374</td>
<td>3,559,929</td>
</tr>
</tbody>
</table>

Table 3 - Resources Made Available

Narrative

The City’s approach in determining how best to allocate its limited resources is based on what projects or programs will provide the most benefit to the widest range of low income households and/or deteriorated areas. In an effort to better address this matter, administrative and programmatic changes were made to the City’s Code Enforcement Program and reporting requirements for all activities. For example, code enforcement eligible target areas were better defined as those census blocks that were primarily residential, had 51% or more of the residents as low and moderate income households, and considered deteriorated or deteriorating (at least 25% of the properties were built 30 or more years ago).

The City has transferred a City owned parcel that will support up to 11 affordable housing units, to Habitat for Humanity of the Monterey Bay for future development of affordable ownership units.

The City is committed to building strong neighborhoods through programs designed to increase communication between residents and city government, enhance community pride, encourage civic awareness and participation, and provide more effective coordination among City departments to address neighborhood needs. Deteriorated areas are targeted, and it is expected that working together with code enforcement, police, public works, and other public and private improvements, rehabilitation, or services to be provided will improve or arrest the decline of an area.

Certain types of projects, including affordable housing, park facilities, homeless services and accessibility improvements, were consistently designated as high priority. Given the difficulties that already exist in implementing these types of projects, it does not make sense to further limit them to a certain area within the City, as most of the City, with few exceptions, is considered to be low-mod, and therefore most of the City would be considered as needing a high level of investment.

The City plans to continue to identify the need for proposed project on an annual basis through the citizen participation process. The City also plans to consult service providers and partners in determining the level of need for proposed activities.
Identify the geographic distribution and location of investments

<table>
<thead>
<tr>
<th>Target Area</th>
<th>Planned Percentage of Allocation</th>
<th>Actual Percentage of Allocation</th>
<th>Narrative Description</th>
</tr>
</thead>
</table>

Table 4 – Identify the geographic distribution and location of investments

**Narrative**

No Target Area's Identified.
Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Since the elimination of the City’s Redevelopment Agency, the City’s ability to leverage federal funds has been substantially reduced. The City continues to seek new opportunities to leverage federal funds.

The City’s Inclusionary Housing Ordinance, which was adopted in 1991 and updated in 2001, required developers to sell or rent a percentage of new housing units to low- and moderate-income households at an affordable price or pay an in-lieu fee. Only rental developments that receive some form of subsidy are subject to the Ordinance. These funds are used to help support affordable housing through development, acquisition, rehabilitation, and preservation of new and existing units.

For fiscal year 2020-2021, the City’s Social Service Grants Grant Program made funds available, $200,000, to 29 non-profit community organizations that perform a variety of social services related to the City’s priority needs.

The City, as Successor Agency to the former Redevelopment Agency, (RA), has a number of vacant properties that may be used to support additional affordable housing projects over the next few years, and will be moving forward on the next steps related to previously owned RDA land. The City has transferred this property to Habitat for Humanity of the Monterey Bay for future development of affordable ownership units.

The City’s Housing Division is tasked with reviewing loan requests by non-profit housing developers to assist with the cost of developing affordable housing units in the City. The City currently has two main funding sources in which to provide loans for affordable housing developments. These are the Successor Agency Housing Fund and the Inclusionary Housing Fund. The Successor Agency Housing Fund is funded from repayment of past loans. The Inclusionary Housing Fund is funded from developer paid in-lieu affordable housing fees on new construction per Watsonville Municipal Code (WMC) Chapter 14-46.070 (Affordable housing in-lieu fees). During this reporting period, the City loaned $2.3 million to MidPen Housing Corporation for the construction of 72 affordable apartment units. In addition, the City of Watsonville, as the Successor Agency for the former RDA, will continue to manage the Affordable Housing Program with limited funding from loan payments.
CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

<table>
<thead>
<tr>
<th>Number of Homeless households to be provided affordable housing units</th>
<th>One-Year Goal</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of Non-Homeless households to be provided affordable housing units</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Number of Special-Needs households to be provided affordable housing units</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 5 – Number of Households

<table>
<thead>
<tr>
<th>Number of households supported through Rental Assistance</th>
<th>One-Year Goal</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of households supported through The Production of New Units</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of households supported through Rehab of Existing Units</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Number of households supported through Acquisition of Existing Units</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

Despite the COVID-19 pandemic we continue to see signs of recovery, this area continues to be plagued with low wages and high housing costs. The lack of property equity combined with the high number of low-income households has contributed to increased housing cost burdens resulting in homeowners unwillingness and/or unable to add additional debt. The City continues to apply its Inclusionary Housing Ordinance on new construction. The City has approved one affordable housing project (Miles Lane Project by MidPen Housing), which will provide 72 affordable rental units and another affordable
housing project (Freedom Blvd Project by Eden Housing), which will provide 53 affordable rental units is under review. Two private housing developments (Sunshine Gardens and Hillcrest Estates) are currently under construction that would provide 47 new housing units to households earning at or below the moderate to very low income limits and are expected to be completed in the coming years. Both developments continue experiencing a variety of construction delays related to private construction and financing, and were not controlled by the City. In addition, there are three more private housing developments that are delayed and continue to be under review due to the COVID-19 pandemic: 547 Airport and 221 Airport will provide 9 affordable for sale units, and 558 Main Street will provide 10 affordable rental units.

Discuss how these outcomes will impact future annual action plans.

The City will continue to look for ways to improve participation in its housing programs, including but not limited to: making program requirement modifications/enhancements as appropriate; perform outreach and marketing in both English and Spanish using various forms of media; promoting the Program at various public events; and making presentations to the general public as well as special needs groups.

Sufficient funding as well as lack of suitable developable land continues to be an issue in dealing with the creation and preservation of affordable housing. Alternative non-financial assistance (i.e., density bonuses, priority permit processing, potential annexations, etc.) are being utilized to support affordable housing efforts. In addition, the City actively pursues all potential funding sources and has been successful in obtaining several State and Federal grants to augment its current available funding for activities designed to promote affordable housing.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

<table>
<thead>
<tr>
<th>Number of Households Served</th>
<th>CDBG Actual</th>
<th>HOME Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low-income</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Low-income</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Moderate-income</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 7 – Number of Households Served

Narrative Information

The City performs various outreach and marketing efforts in English and Spanish of its housing programs using various forms of media (i.e., print, internet, television, etc) as well as public events and presentations in an effort to increase awareness and participation. City staff participates on various non-profit boards and take every opportunity to partner with developers, realtors, lenders, service providers,
and other jurisdictions in support of affordable housing efforts. Funding from other sources such as State and Federal grants, successor housing agency, and local inclusionary housing program is utilized, when available, to support affordable housing efforts. Steps to improve Program participation in the City’s Housing Rehabilitation to meet its goals have already been taken as indicated in other sections.

The City works to provide affordable housing at a variety of income ranges per the state Regional Housing Need Allocation and the City’s Affordable Housing Ordinance. Homeless services are provided by private non-profit agencies in the City of Watsonville and partner with government agencies through the Homeless Action Partnership and the Continuum of Care, but not directly with the City. At this time, the City does not have specific policies in place to address “worst case needs” for persons with disabilities aside from Uniform Building Code requirements for new construction.
CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction’s progress in meeting its specific objectives for reducing and ending homelessness through:

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

The City has contributed financial and staff resources to a countywide effort entitled “ALL IN” Toward a Home for Every County Resident. This strategic plan was adopted by all of the Santa Cruz County Jurisdiction in 2015 and continues to be a benchmark in assisting families and individuals that are subject to being homeless and working towards a goal of ending homelessness.

The City of Watsonville is fortunate to have available a partnership with the Salvation Army who provides shelter available to our local homeless individuals, including women and children. As part of the intake process, “clients” are screened or assessed for their current needs and offered a warm shower, food and clothes, a place to stay the night.

Every 2 years, the County conducts a point-in-time homeless census. The City of Watsonville contributes funding and personnel to assist in conducting the survey. The last Homeless Census was conducted on January 31, 2019 and volunteers and staff canvassed the entire county. The 2021 point-in-time was partially conducted in January was due to the COVID-19 pandemic. This means that we have to rely on the 2019 numbers as these will be more accurate. The last census counted 370 homeless persons within the City. The Salvation Army provides a hot meal daily for anyone who needs a meal. During this time, guests are provided with information on homeless services. In addition, the Salvation Army has undertaken the operation and management of a Day Center offering case management services, access to bathrooms, showers, laundry facility, mail boxes, and internet access for job hunting efforts.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City of Watsonville area has 92 emergency shelter beds available on any given night. Those beds are identified in the table below.

In 2020, we had 92 shelter beds in the City of Watsonville. Because the City only provides funding to the Salvation Army, it has been difficult to identify an accurate number of shelter beds provided by other private shelter services, such as Teen Challenge Monterey Bay, in the past. In coordination with the CoC and Homeless Action Partnership, the City has identified that 92 beds were available in the City in 2020. These beds are identified in the table below.
<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>BEDS</th>
<th>SUBPOPULATION SERVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pajaro Valley Shelter</td>
<td>36</td>
<td>Women and children and adults</td>
</tr>
<tr>
<td>Monarch Services</td>
<td>18</td>
<td>Battered women and their children</td>
</tr>
<tr>
<td>Salvation Army Winter Shelter</td>
<td>38</td>
<td>Adult men, women and children</td>
</tr>
</tbody>
</table>

Table 8 - Emergency Shelter Beds

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

The City of Watsonville is equally committed to preventing homelessness as it is to addressing homelessness. Several community partners offer local residents services which are designed to help with housing retention. Community residents can access resources and program availability by calling the local 2-1-1 line. All jurisdictions receiving federal funding to provide housing and services for those experiencing homelessness are required by HUD to conduct a Point-in-Time count of sheltered and unsheltered homeless persons sometime during the last ten days of January every two years. The PIT count results in 2019 show:

- Homeless numbers in Santa Cruz County had a decreased from 2,249 to 2,167, 1,204 to 1,197 in Santa Cruz, 463 to 370 in Watsonville and 542 to 515 in unincorporated areas.
- 78% were “unsheltered” and living on the street, vehicles or encampments.
- Primary cause of homelessness for the chronically homeless is job loss, 26%, and eviction was second with 18%.
- Of the homeless counted, 151 veterans, 9% reported a health condition and 26% spent at least one or more nights incarcerated in the past year.

The City is part of the Homeless Action Partnership (HAP), a collaboration of five jurisdictions in Santa Cruz County (the County and the Cities of Santa Cruz, Watsonville, Capitola and Scotts Valley) along with homeless housing and services providers. This year HAP brought in more than $10 Million for housing subsidy and supportive services that is the collaboration in Santa Cruz County that acts as the HUD mandated Continuum of Care. HAP funds activities that further the goal of addressing homelessness in the community, such as funding winter shelter programs in both north and south Santa Cruz County and conducting a biennial homeless census and survey.

Housing services for those being discharged from publicly funded institutions are addressed through County agencies, not the City of Watsonville, however, there are four single room occupancy hotels that
accept people transitioning from public institutions. These include the Resetar Hotel, Wall Street Inn, Stag Hotel, and the Plaza Hotel.

The City does not have a homeless discharge coordination policy. The City is a member of the Homeless Action Partnership and the Continuum of Care, both of which are working to improve the policies and procedures in addressing homeless services countywide.

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

Three major types of facilities provide shelter for homeless families and individuals in Watsonville: emergency shelters, transitional housing, and permanent housing. These types of facilities are all present in Watsonville and are summarized below in chart. The City also participates in the Santa Cruz County Continuum of Care program to meet the housing and supportive service needs of homeless individuals and families.

Other ways that the City of Watsonville helps homeless and more venerable members of the Community is by:

- Contributing financial and administrative support to the Santa Cruz County Homeless Action Partnership) for the implementation of the Santa Cruz County Plan to End Homelessness.
- Providing financial and administrative support to the South County Emergency Winter Shelter Program, operated by members of the Santa Cruz County Homeless Action Partnership, including the Salvation Army and local churches.

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>BEDS</th>
<th>SUBPOPULATION SERVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pajaro Valley Shelter</td>
<td>36</td>
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<td>38</td>
<td>Adult men, women and children</td>
</tr>
</tbody>
</table>

Table 9 - Emergency Shelter Beds
CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The Housing Authority of Santa Cruz County (the Housing Authority) will continue to own, operate, and maintain the eight affordable housing complexes located in the City of Watsonville through our affiliated nonprofit organization New Horizons Affordable Housing and Development. Additionally, the Housing Authority will continue to administer the Housing Choice Voucher Program that can be used in the City.

The original City funding for Pippin Orchard Apartment’s construction, in combination with the Housing Authority project-based vouchers, continues to provide quality, affordable units for low-income families in Watsonville. The City and the Housing Authority have implemented collaboration regarding regional housing matters. The City contributed to the Landlord Incentive program, similar to a risk-mitigation pool, which is comprised of all four cities and the county. The Landlord Incentive allows landlords with qualified expenses to submit a claim up to $5,000 for losses. The Landlord Incentive encourages landlords to accept Housing Choice Voucher holders as tenants.

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

The Housing Authority administers a - Family Self Sufficiency (FSS) program, called Housing Plus, for Housing Choice Voucher Program participants. Participants of the Program establish an educational, employment or other self-sufficiency goal. As their income increases, their rent increases, and the Housing authority adds money for them in an escrow account. Once the goal is reached, they receive the funds from the account, which some have used toward the purchase of a home. Program Participants also participate in a Resident Advisory Board that meets annually to review and discuss proposed changes to the Housing Authority’s Agency Plan, and two Program Participants serve on the Agency’s governing Board of Commissioners.

Actions taken to provide assistance to troubled PHAs

Not applicable. The Housing Authority is designated as a high performer for both their Section 8 Housing Choice Voucher Programs.
CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

Update of the City’s Housing Element has been completed and certified. The updated Element has the potential for allowing for higher densities in transit corridors and annexation of suitable buildable land within the City limits.

The City has a density bonus ordinance that provides incentives or concessions to applicants of residential developments that contain housing for low to moderate income and senior households as well as day care facilities. The incentives include:

- Deferment of certain fees
- Reduction of development standard or modification of zoning requirement
- Approval of mixed use buildings or developments if the non-residential use will reduce development costs and is compatible with the area
- Other regulatory requirements proposed by the applicant that result in identifiable financially sufficient and/or actual cost reductions

The City’s Inclusionary Housing Ordinance, which requires developers to set aside a percentage of the total units as affordable to very low-moderate income households, gives priority processing for projects that provide 50% or more of the total project units as affordable.

Assistance with the permit process, including payment of fees, is provided through the City’s Housing Rehabilitation Program to low income households wishing to make repairs to preserve an existing home.

A nexus study of all permit and development fees was completed and took effect last Program Year.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

A position was created in the City’s financial services department whose main focus is to actively seek potential funding opportunities to leverage existing funds that could be used to provide new and support existing services.

Work continues with non-profit service providers, developers and the County to serve the needs of the community in the form of financial as well as non-financial assistance as indicated in other sections.
The City has been successful in improving County-City coordination, thus increasing funding for Homeless services in the amount of $100,000 for this year. This increase in funding will allow our contract homeless shelter operator to open a Winter Shelter all year.

City staff participates on various housing and service provider boards and are actively involved in collaborations with local jurisdictions and non-profit service providers to improve awareness and expansion of available resources as indicated in other sections. The City continues to provide grants to various non-profit agencies that provide services to the underserved, through its Social Service Grants Program funded by the City's general fund. The City's Social Service Grants Grant Program made funds available, $200,000, to 29 non-profit community organizations that perform a variety of social services related to the City’s priority needs. All funded agencies have submitted their annual report for their first year of the current funding cycle.

**Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)**

The City of Watsonville continues to offer a Housing Rehabilitation Program that provides financial assistance to low income homeowners or homeowners who rent to low income tenants to make repairs to existing housing. Included in that assistance is testing for and abatement of lead based paint hazards in pre 1978 units, which is provided as a grant to the homeowner.

Any contractors working with the Program are required to obtain EPA Lead-Safe Certification and use safe work practices when performing work on pre-1978 units.

In addition, homes purchased using the City’s First Time Homebuyer or through the Inclusionary Housing Programs are inspected as part of the application process and any lead based paint hazards that are found must be abated prior to funding and/or purchase approval.

**Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)**

The City continues to support various public service programs, with its own General Fund, to provide essential services aimed at helping to reduce the number of poverty-level families. The City awarded $200,000 to various non-profit organizations for supportive programs that meet the critical needs of family, such as food and medical care.

**Actions taken to develop institutional structure. 91.220(k); 91.320(j)**

The City of Watsonville enhanced its Social Service Grants application process. City website is maintained in an effort to facilitate and better serve our community needs. The City continues to support the regional online and telephone referral service called 2-1-1, that offers a comprehensive listing of services in the county. The City continues to contribute financial assistance from its general fund and administrative support to the Santa Cruz County Homeless Action Partnership for the implementation of the Santa Cruz Plan to End Homelessness.
Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

City efforts include participation on various boards, attendance and organization of public meetings and events, as well as project collaborations in the form of financial and non-financial assistance with private and non-profit developers and social service providers. All actions taken by the City are intended to improve delivery of services, eliminate duplication of efforts, increase necessary and needed services and enhance communication and awareness of available resources.

Staff participates in a Housing Advisory Committee comprised of representatives from other local jurisdictions, private and non-profit developers, housing advocacy groups and social service agencies that meet six times a year to share updates on various projects, request support on housing and related issues/legislation, discuss potential collaborations and work on various housing measures. In addition to agencies listed elsewhere, staff and Council Members participate on a variety of boards/committees such as the Housing Authority, Pajaro Valley Prevention and Assistance Program, Area Agency on Aging, and Association of Monterey Bay Area Governments. The City is currently collaborating on a regional effort with other local jurisdictions to address farmworker housing issues.

The City often partners with local non-profit service agencies and local organizations through its Housing Rehabilitation Program that provide resources in the form of grants and/or no cost construction materials and/or labor to leverage resources and promote cooperation between agencies.

The City of Watsonville will continue to support providers of housing and supportive services utilizing all available resources to meet the needs of its residents and businesses. Many of the obstacles limiting the City’s ability to meet these needs are beyond the City’s control such as limited funding, lack of developable land, and government regulations imposed by the County and State. However, the City continues to actively pursue opportunities to expand available resources and identify other means of addressing the needs of its community.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

Ensuring fair and equal housing opportunity is an important goal. Whether through mediating disputes, investigating bona fide complaints of discrimination, or through the provision of education services, the provision of fair housing services is important to ensuring fair and equal access to housing. Watsonville supports the provision of fair housing opportunity through the following goal and supporting policies.

- Ensure fair and equal housing opportunity for all persons regardless of race, religion, sex, marital status, family type, ancestry, national origin, color or other protected status.
• Continue to enforce fair housing laws prohibiting arbitrary discrimination in the building, financing, selling or renting of housing on the basis of race, religion, family status, national origin, disability, or other such factors.
• Continue to support organizations that offer fair housing and mediation services to Watsonville residents.
• Promote and support, as feasible, housing that meets the special needs of large families, single-parent/female-headed households, families with children, students, elderly persons, homeless persons, farm workers, and the disabled.
• Encourage the provision of housing adaptable to the physically disabled through integration of universal design features in new development, and compliance with Title 24 of the California Health and Safety Code.

Currently, the City’s inclusionary housing units are not at risk given that they were either recently built or soon to be built and have affordability terms of 40-55 years. Affordable units owned by the Housing Authority also will not convert to market rate units, given that the Housing Authority is charged with keeping these units affordable.

Fair housing information is displayed in City Hall and on all housing applications and contracts. Handouts are maintained and provided in English and Spanish of affordable rental housing complexes and affordable units for sale within the City limits.
CR-40 - Monitoring 91.220 and 91.230

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

The City's Community Development Department (CDD) staff is responsible for managing the operations of the CDBG Program and ensuring that CDBG funds are used in accordance with program requirements. This includes the administration and implementation of CDBG projects, such as housing rehabilitation and property acquisition, maintaining and monitoring agreements with other City departments implementing CDBG projects, and the administration and monitoring of subrecipient contracts. Additionally, CDD staff works closely with the Finance Department to ensure the appropriate and timely expenditure of CDBG funds.

INTERNAL MONITORING

CDBG projects implemented by the City are monitored on an ongoing basis for compliance with CDBG requirements. CDD staff maintains documentation of grant compliance for each activity, including CDBG eligibility, National Objective compliance and NEPA requirements. CDD staff also works closely with other City departments that implement CDBG projects to ensure that all requirements are understood and met. CDD staff provides final approval of CDBG drawdowns, and reviews all expenditures for grant compliance approval.

The CDD is also responsible for the timely expenditure of CDBG funds, a process that begins with the development of the annual Action Plan. Anticipated program income for the program year is estimated as accurately as possible and proposed Action Plan activities are reviewed for their readiness and probability of timely implementation.

CDD staff monitors timeliness continually throughout the year, determining the status of all CDBG activities, in order to anticipate potential problems. A thorough review of the status of all projects is conducted mid-way through the program year. At this time, if any slow-moving projects are identified, or if unanticipated program income has been received, additional projects will be proposed in an Action Plan Amendment.

SUBRECIPIENT MONITORING

CDBG subrecipients are monitored annually to ensure their compliance with all regulations and requirements governing their administrative, financial and programmatic operations, and to verify achievement of their performance objectives within schedule and budget. The objectives of the monitoring review are to:
• Evaluate subrecipient accomplishments and achievements;
• Determine areas of non-compliance;
• Assist in resolving compliance problems; and
• Strengthen channels of communication between the City and the subrecipient.

The City conducts annual monitoring of our sub-recipient. This year due to the COVID-19 pandemic we conducted a remote monitor to our sub-recipients and found them to be in compliance. In past years it was determined that the micro-enterprise technical assistance program had been administered and implemented in compliance and to the satisfaction of the City by the sub-recipient and it was found that the federal requirements are being met. The City will continue monitoring our sub-recipients annually.

**Citizen Participation Plan 91.105(d); 91.115(d)**

**Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.**

A notice was published in the local newspaper on August 27, 2021, announcing the CAPER's availability for public review. The CAPER was available for public review September 13-28, 2021 and soliciting public comment before 4:30 pm on that date. No public comments were received.

The City has been publishing the Public Hearing Notices for the CAPER in both English and Spanish. The Notice does indicate that our facilities are handicap accessible. We have our CAPER available for public review and comment on the City’s webpage, in our main lobby, at City Hall, and at other additional City departments.
CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction’s program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

Although the COVID-19 pandemic continues to plague the City of Watsonville, we continue to take a proactive approach and continually evaluate programs, projects and activities to ensure they are meeting targeted goals as well as keeping in line with current levels of funding. As a result of our experience, difficult and strategic recommendations are made to City Council. For example, when funding is not moving quickly, an alternate priority needs project or program is recommended. Council gives the City Manager the authority to redirect funds based upon certain criteria or timelines. As with CDBG, the timely expenditure ratios are monitored and commitment and expenditure deadlines are monitored.

Staff also directs funding toward core programs established during the previous year and identified within the Five-Year ConPlan.

The City of Watsonville continues to use CDBG funds toward public services, affordable housing, a suitable living environment (Code Enforcement), public facilities, and improvements, and Economic Development.

Staff reviews and meets with project managers on a regular basis. The City’s Citizen Participation Plan allows minor and technical amendments to be reviewed and authorized by the City Manager.

The City’s objectives have not changed in working toward meeting high priority needs. As a result of the needs identified through meetings with non-profit housing and service providers, the City Manager, and Council, CDBG funding was approved to assist in meeting the needs of Watsonville’s homeless population through social service grants and participation in the countywide Homeless Action Partnership (HAP) collaborative.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?
No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.