



# City of Watsonville

## Community Development Block Grant

# 2010 CAPER

## Consolidated Annual Performance and Evaluation Report

**Program Year 2010 – 2011**  
(July 1, 2010 – June 30, 2011)



## Redevelopment and Housing Department

September 2011



**City of Watsonville  
Community Development Block Grant  
Consolidated Annual Performance and Evaluation Report  
Program Year 2010**

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**City of Watsonville  
Community Development Block Grant  
Consolidated Annual Performance and Evaluation Report  
Program Year 2010**

## **Description of CAPER Report**

The City of Watsonville 2010 Consolidated Annual Performance and Evaluation Report (CAPER) describes the low-income housing and community development activities conducted by the City during fiscal year 2010-2011 (July 1, 2010 to June 30, 2011), the funds made available for low-income housing activities, and the number of low-income households who were assisted with housing related needs. The CAPER also serves to evaluate the City's overall progress in carrying out priority projects identified in the Five Year Strategic Plan<sup>1</sup> (2010-2015) and the Annual Action Plan<sup>2</sup>. Overall, the City has made substantial progress in meeting the five-year goals identified in the Consolidated Plan.

The CAPER describes how the City has used the U. S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds, and how those funds were leveraged with other federal, state, and local funds to meet the City's priority needs.

## **General Narratives**

### **General Narrative A: Assessment of Strategic Plan Goals and Objectives**

The following Priority Needs were designated in the 2010-2015 Consolidated Plan:

- Affordable Housing
- Positive Alternatives for Youth
- Non-housing Community Development (Economic Development and Infrastructure)
- Homelessness and Other Special Needs

The City's accomplishments in addressing these Priority Needs during the program year are listed as follows.

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<sup>1</sup>*The Strategic Plan is part of the City's Consolidated Plan (CP), which is a five-year (2010-2015) comprehensive planning document that identifies the City's overall needs for affordable and supportive housing as well as non-housing community development needs. The Strategic Plan outlines a five-year strategy for use of available resources to meet the identified needs.*

<sup>2</sup>*The Annual Action Plan outlines a one-year plan for addressing the goals in the Strategic Plan.*

**Priority Need 1: Affordable Housing**

**I. Funds Made Available for Low-Income Housing Activities**

The City uses a variety of funding sources to provide housing assistance to low-income households. The three primary low-income housing activities are: housing rehabilitation loans, first-time homebuyer loans, and subsidies for construction of new housing affordable to low-income households, as explained below.

**A. Housing Rehabilitation Loans**

The City continued to operate its Housing Rehabilitation Program in 2010/2011, using funding from the Federal CDBG program as well as the State of California HOME, Joe Serna, Jr. Farmworker Housing Grant Program, CalHome programs, and local Redevelopment Agency Housing funds. Low-income homeowners are eligible for housing rehabilitation loans from these sources. During the program year staff completed rehabilitation of two homes, continued rehabilitation work on two homes, and began pre-construction work on one home. See Table 1 for details regarding funding sources and loan amounts for this program.

**TABLE 1: HOUSING REHABILITATION PROGRAM FUNDING**

Source	No. New Loans	Total Funds
CDBG	2	\$105,942
HOME	0	\$0
Joe Serna, Jr. Farmworker Housing	0	\$0
CalHome	2	\$60,627
Redevelopment 20%	0	\$0
<b>Total</b>	<b>4</b>	<b>\$166,569</b>

\*The total number of units is 3, which is less than the total number of loans because some units required multiple loans in order to finance the rehabilitation work needed.

**B. Homebuyer Assistance to Low-Income Households During 2010**

The City provided downpayment assistance loans to nine low-income first-time homebuyers during the program year. The loans were funded by federal and local housing funds as shown below.

**TABLE 2: HOMEBUYER ASSISTANCE LOAN FUNDS**

Source	No. New Loans	Total Loan Funds
CalHome	4	\$219,000
HOME	10	\$473,926
Redevelopment Agency Housing Fund	1	\$8,335
<b>Total</b>	<b>15</b>	<b>\$701,261</b>

### C. Construction of New Low-Income Housing

During the program year, the City's Redevelopment Agency completed construction of a new town-home project, "Vista Nueva," that was initiated under the City's Youth Build program, funded with Youth Build grants awarded by HUD in previous years. This project consists of nine new town-homes for sale to low-income first-time homebuyers and restricted to be affordable to low-income households for a period of forty-five years. The last of the nine units was sold in July 2009.

## II. Number of Low-Income Households Assisted with Housing Related Needs

- The City operates a "Relocation Assistance Program" to help renter families relocate from housing declared unsafe and uninhabitable by the City Code Enforcement program, when the property owner is found responsible for the unsafe conditions. The program prevents homelessness by requiring the owners of such properties to pay three month's rent to their eligible tenants if they are displaced due to the owner's negligence, to provide the tenants funds for first and last months' rent and security deposit at a safe housing unit. If the property owner fails to pay in a timely manner, the City provides the rental assistance from revenues from code enforcement fines and then attempts to collect from the owner. During the program year, no families were assisted by this program.

### Priority Need 2: Positive Alternatives for Youth

#### A. Mobile Recreation Programs for Middle School Students

The City previously received a "Together in Peace" grant from the Department of Corrections and Rehabilitation during the program year. This grant fund the staffing costs for nine new part-time Recreation Leaders who will facilitate new youth recreation programs at mobile offices. This program is a partnership between the City's Parks and Community Services and Police Departments, the Pájaro Valley Unified School District, and Pájaro Valley Prevention and Student Assistance. The activities are intended to prevent middle school students in the Rolling Hills Middle School jurisdictional area from getting involved in gangs.

#### B. Sports Activities with the Police Activities League

The Police Department operates a sports facility at 130 Rodriguez Street, staffed by ten part-time recreation leaders, one part-time police officer and one full-time director. The primary objective of the program is to build the self-esteem of the young people participating in the various sports and leadership programs, and to provide healthy activities as an alternative to gang involvement. Additional program goals are improved school attendance, academic success, and responsible citizenship. The program encourages parents and other responsible adults to volunteer and mentor young people in the community.

### C. Watsonville Police Cadet Program

The Watsonville Police Cadet Program, Explorers Post 501, operates under the sponsorship of the Chief of Police and the Watsonville Police Department, in cooperation with the Boy Scouts of America. The youth are between fourteen and twenty years old. Two full-time Watsonville police officers volunteer their services as advisers whose role is to mentor the cadets. The program provides young people with the opportunity to explore the law enforcement field as a possible career choice. The Cadets are active in traffic control for a number of events in the tri-county area including the AT&T Golf Tournament and the Gilroy Garlic Festival. They also attend the San Diego Law Enforcement Explorer Academy each year and compete throughout the year with other posts.

### D. Santa Cruz County Regional Occupational Program

This program is a public safety academy sponsored and staffed by the Watsonville Police Department for high school students interested in law enforcement, fire fighting or responding to medical emergencies. The Pájaro Valley Unified School District is a partner in this program.

### E. Special Events for Youth

The City Parks and Community Services Department organizes various special events for families and for youth at various community centers and park facilities in Watsonville, such as the National Night Out, Thanksgiving celebrations, Halloween haunted houses, other holiday celebrations, dances for middle school students, the Children's Day (Día del Niño) celebration. The Environmental Science Workshops at Marinovich allows kids to let their imagination go wild while discovering the art of science. The City Parks and Community Services Department also provides computer labs at Ramsay Park, Marinovich and at the Enterprise Community Youth Network Computer Lab.

### F. Youth Council

The Parks and Community Services Department sponsors a city Youth Council, which consists of young resident volunteers from various city neighborhoods. The young "representatives" work with the Parks Department to organize events intended to allow young residents from different city neighborhoods to get acquainted and socialize together at local community centers and parks.

### H. Other Activities

The City Parks and Community Services Department offers great opportunities for youth to volunteer at recreational facilities while fulfilling their high school requirements for community service hours. Educational field trips for students to visit local universities, and Wellness activities and programs are offered at facility drop in centers.

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### Priority Need 3: Community Development Activities Other Than Housing

#### A. Construction of Watsonville Civic Plaza and Parking Garage

Construction of the mixed-use “Civic Plaza” project, which provides offices and other commercial lease space for public and private tenants, was completed during the previous program year. Construction of a 461-space parking structure adjacent to the Civic Plaza, built to provide parking to serve the new tenants. A grand opening was held in May 2008 and the new facility is currently almost completely occupied.

#### B. Enterprise Zone Vouchers

The City processed 1,103 Enterprise Zone employment tax credit voucher requests during the program year, an increase of nine percent from the previous year.

#### C. Other Economic Development Efforts by the Redevelopment and Housing Department

- Staff met with several local Watsonville business owners to inform them about the Enterprise Zone voucher program and other economic development programs offered by the City and/or Redevelopment Agency, some of which are described below.
- The Department continued to offer Façade Improvement loans or grants program, which includes signs. During the program year, eight projects have been completed, two new projects have received preliminary approval, and two more are pending.
- The City of Watsonville and its Redevelopment Agency approved a Public Art Program in August 2010 to promote, support and increase art within the community as a way of enhancing the City’s attributes and image while eliminating/reducing blight. A Public Art Committee was established to develop a Public Art Plan containing potential projects that may be undertaken over the next two Fiscal Years to carry out the Program goals. The Plan was approved by the City Council and Agency in June 2011 and is currently being implemented by the Committee.
- The City provided a \$50,000 grant of CDBG funds to the El Pájaro Community Development Corporation for operation of their small business technical assistance programs during the program year.
- The Redevelopment Agency contracts with the Central Coast Small Business Development Center (SBDC), which assists City residents to start or continue a small business. In addition to business planning and services, the SBDC also coordinated two seminars: a Restaurant Rejuvenation workshop on August 24, 2009, and Retail Rejuvenation workshop on November 5, 2009.
- The Redevelopment Agency provided assistance, in collaboration with the Central Coast Small Business Development Center, to provide business consulting services to a select group of downtown businesses in order to enhance and improve the appearance of existing downtown storefronts.

- The City's Redevelopment Agency is a financial sponsor of the Pájaro Valley Chamber of Commerce Latino Business Association.
- The City's Redevelopment Agency provides funding to the Santa Cruz County Conference and Visitors Council.

#### **Priority Need 4: Homelessness and Other Special Needs**

- As described under Priority Need 1 above, the City operated the Relocation Assistance Program, which assists households displaced from uninhabitable housing units due to severe code violations. This program prevents homelessness by distributing the funds necessary for the displacees to move into other housing.
- The City contributed financial and administrative support to the Santa Cruz County Homeless Action Partnership (formerly the Santa Cruz Countywide Continuum of Care Coordinating Group) for the implementation of the Santa Cruz County Ten-Year Plan to End Homelessness (2003-2013).
- The City provided 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.
- The City awarded \$250,024 in social service and community service grants to various local non-profit organizations and public agencies providing a wide range of community services, including food, shelter and services for citizens with special needs, to City residents in need of such assistance.

#### **General Narrative B: Affirmatively Furthering Fair Housing**

The City is currently updating its "Analysis of Impediments to Fair Housing," which was last prepared by the City in 2002 in accordance with HUD requirements. It is anticipated that the updated analysis will be completed by the end of the 2011 calendar year. In the 2002 analysis, a limited availability of affordable housing in Watsonville was identified as the chief impediment to access to fair housing in the Watsonville community. The City's efforts to address the shortage of affordable housing are discussed below in General Narrative C: Affordable Housing.

Other efforts undertaken to affirmatively further fair housing in Watsonville include information and workshops on housing issues and available City programs and other outreach through both traditional and new media sources. These services and all City outreach materials and notices are provided in English and Spanish, because approximately 80% of the local population is Latino, and a large segment of the local population consists of English language learners. Concurrent Spanish translation is provided with an interpreter and hearing

devices at all public hearings, City Council meetings, and housing workshops. The city meetings are broadcast on local public access television in both languages.

Nearly all of the staff of the Redevelopment and Housing Department who operate the City housing programs are bilingual in English/Spanish. They handle many inquiries from the public regarding City housing programs, tenants' rights and landlord/tenant law, evictions, and more. When appropriate, staff refers the public to other agencies such as California Rural Legal Assistance, the Red Cross, the Housing Authority, consumer credit counselors and non-profit legal service providers.

### **General Narrative C: Affordable Housing**

The City's 2010-2015 Consolidated Plan includes specific affordable housing objectives, as required by HUD. These objectives were prioritized by target population. The objectives are outlined below, along with a discussion of the progress made to date in achieving each objective.

#### Priority 1: Very Low- and Low-Income Renters

TABLE 3

FIVE-YEAR OBJECTIVES	PROGRESS MADE DURING PY 2010
<ul style="list-style-type: none"> <li>Rehabilitate 14 rental housing units</li> </ul>	<ul style="list-style-type: none"> <li>Rehabilitated 1 rental units in FY 2010/2011</li> </ul>
<ul style="list-style-type: none"> <li>Construct new rental housing units</li> </ul>	<ul style="list-style-type: none"> <li>Construction permits issued for 22 new rental units</li> </ul>
<ul style="list-style-type: none"> <li>Support the federal Section 8 program</li> </ul>	<ul style="list-style-type: none"> <li>Section 8 beneficiaries get priority to rent 5% of the new rental units built in the City under the City Affordable Housing Ordinance</li> </ul>

#### Priority 2: Low- and Moderate-Income Home Ownership Opportunities

The City has assisted a large number of low- and moderate homebuyers during the past several years or more through several programs: the First Time Home Buyers Program, funded by the federal HOME program, and the Downpayment Assistance Program, funded by Redevelopment Agency housing funds, in combination with the City's inclusionary zoning ordinance, which requires a percentage of the homes in new developments to be affordable to low- and moderate-income households.

TABLE 4

FIVE-YEAR OBJECTIVES	PROGRESS MADE DURING PY 2010
<ul style="list-style-type: none"> <li>Help 15 low- and moderate-income households to buy their first home</li> </ul>	<ul style="list-style-type: none"> <li>Assisted 13 low- and moderate-income households to buy their first home</li> </ul>

Priority 3: Very Low- and Low-Income Homeowners

TABLE 5

FIVE-YEAR OBJECTIVES	PROGRESS MADE DURING PY 2010
<ul style="list-style-type: none"> <li>Help 30 very low- and low-income households to maintain and/or rehabilitate their homes in a decent and safe condition</li> </ul>	<ul style="list-style-type: none"> <li>Assisted 2 very low-income and 1 extremely low-income households with rehabilitation financing to maintain and/or rehabilitate their homes in a decent and safe condition.</li> </ul>

Low- and very low-income homeowners are provided low- or no-interest loans through the Housing Rehabilitation Program to maintain and/or rehabilitate their homes in a decent and safe condition.

Priority 4: Very Low- and Low-Income Farmworkers

TABLE 6

FIVE-YEAR OBJECTIVES	PROGRESS MADE DURING PY 2010
<ul style="list-style-type: none"> <li>Help very low- and low-income farmworker households to buy their first home</li> </ul>	<ul style="list-style-type: none"> <li>Assisted 0 very low- and low-income farmworker households to buy their first home</li> </ul>
<ul style="list-style-type: none"> <li>Help very low- and low-income farmworker households to maintain and/or rehabilitate their homes in a decent and safe condition</li> </ul>	<ul style="list-style-type: none"> <li>Assisted 0 very low- and low-income farmworker households with rehabilitation loans to maintain and/or rehabilitate their homes in a decent and safe condition.</li> </ul>

During this program year, no farmworker rehabilitation projects were completed.

Priority 5: Very Low-Income Homeless Families

TABLE 7

FIVE-YEAR OBJECTIVES	PROGRESS MADE DURING PY 2010
<ul style="list-style-type: none"> <li>Help very low-income homeless families</li> </ul>	<ul style="list-style-type: none"> <li>Assisted low-income homeless families by continuing financial and administrative support to the South County Emergency Winter Shelter Program</li> </ul>

During the 2010 program year, the City continued its financial and administrative support for the South County Emergency Winter Shelter Program. The Winter Shelter Program provided a total of 133 shelter nights to homeless families during the past winter.

### **General Narrative D: Continuum of Care**

The City contributed financial and staff resources to the Santa Cruz County Homeless Action Partnership, a community-wide action team, to implement the Santa Cruz County Ten-Year Plan to End Homelessness: 2003-2013. The aim of the plan is to create the housing market and other social conditions needed to end homelessness and provide homeless families and individuals with the services and housing they need.

A county-wide homeless population estimate and survey was conducted in January 2011, to comply with HUD's Interagency Council on Homelessness 10-year plan to end chronic homelessness. The survey also served to increase public awareness, generate support, and update the characteristics of the homeless population in Santa Cruz County. The survey helps to track progress based on previous census data and is instrumental in identifying new trends within the homeless population. The 2011 survey results will assist service providers and local jurisdictions to continue to plan and develop services that meet the needs of the homeless population in Santa Cruz County and implement the goals of the 10-year plan.

### **General Narrative E: Other Actions**

The City's 2010-2015 Consolidated Plan did not identify goals pertaining to unmet needs, gaps in institutional structures, or public housing and resident initiatives. Actions taken to foster and maintain affordable housing are described in the Affordable Housing narratives. Actions taken to reduce the number of families in poverty are included in the Economic Development and Youth Priority Need narratives.

In 2007 the City continued to mitigate lead-based paint and asbestos hazards in the City. The Lead-Based Paint Program jointly operated with the County of Santa Cruz ended in June 30, 2007. A total of 54 units were completed. The City continues to offer lead and asbestos abatement work through its Housing Rehabilitation Program, with grants from Community Development Block Grant (CDBG) funds.

During the program year, the City continued its CDBG Subrecipient Monitoring Plan, and monitored all CDBG sub-recipients according to the plan. This monitoring will continue to take place annually.

### **General Narrative F: Leveraging Resources**

The following resources were identified in the 2010 Action Plan:

#### Federal Resources

##### *Community Development Block Grant*

The City's CDBG Entitlement from the U.S. Department of Housing and Urban Development (HUD) for fiscal year 2010-11 was \$927,713.00. In addition, \$1,056,221.32 in unexpended funds remaining from 2009-10, and \$97,842.09 in actual program income received during

2010-11, was also available, for a total of \$2,081,776.41 available for CDBG-eligible activities during program year 2010. A total of \$993,590.17 was expended on program year activities.

*HOME Investment Partnership Program*

The City received an \$800,000 grant of HOME funds in 2008 from the State of California Housing and Community Development Department. The First Time Home Buyer grant expired and was completed during the program year. The grant was used as deferred loans for low-income, first-time homebuyers. "Recaptured" and "program income" revenues received as payments on previous HOME loans are also used for new HOME-eligible projects and programs. The City submitted a new funding application for additional HOME funds.

Other Resources

The following non-Federal revenue sources were identified in the Action Plan:

*State of California CalHome Grant*

The City was awarded a grant of \$600,000 from the State CalHome Program in 2007 for the City's Owner-Occupied Housing Rehabilitation Program. To date, \$253,609 has been used to rehabilitate 8 units, two applications are pending and the balance is available for additional projects.

The City was awarded an additional grant of \$600,000 from the State CalHome Program in 2008 for the City's First Time Home Buyer Program. To date, \$497,850 of the grant has been used and the balance is available for additional loans.

*State of California Farmworker Housing Grant*

The City utilized the remainder of a 2001 Farmworker Housing Grant of \$600,000 during the 2007 program year to provide forgivable homebuyer and housing rehabilitation loans to farm workers. Ten mobile home rehabilitation projects were completed during the 2007 program year. In July 2007, the City was awarded another Farmworker Housing grant of \$350,000 for the 2007-2009 program years for its Farmworker Housing Rehabilitation Program. This grant was extended through December 30, 2011. Two applications are currently pending.

*Redevelopment Agency 20% Housing Set-aside*

In recent years, the Watsonville Redevelopment Agency has received several hundred thousand dollars or more in housing funds each year from its project area tax increment revenues, as set forth under California Redevelopment Law (CRL), contained in the California Health & Safety Code Section 33000 et seq. These funds are used to support low- and moderate-income housing projects and programs such as the Down Payment Assistance (DAP).

*Affordable Housing Trust Fund*

This City fund receives revenues from affordable housing “in-lieu” fees paid by developers of new commercial, industrial, and small housing projects. This fund is used for Affordable Housing projects.

**General Narrative G: Citizen Comment**

A notice was published in the local newspaper on September 6, 2011, announcing the CAPER’s availability for public review through September 22, 2011, and soliciting public comment before 5:30 p.m. on that date. No public comments were received.

**General Narrative H: Self-Evaluation**

Despite challenging local and national economic conditions during the program year, the City has continued to make significant progress in addressing its priority needs of affordable housing, positive alternatives for youth, and economic development.

The Enterprise Zone Tax Credit Voucher Program continues to support local job creation. The Watsonville Civic Plaza development, a key component of the City’s downtown revitalization effort, was completed and occupied in May 2008. This development continues to spur additional private commercial development and investment in the downtown business district.

Overall, the City has made substantial progress in addressing its five-year Consolidated Plan goals.

## **CDBG Narrative**

### **Activities and Priority Needs**

For the 2010 Program Year, the City allocated CDBG funds to address each of the Priority Needs identified in the 2010-2015 Consolidated Plan. Specific activities conducted with CDBG funds are listed below by the Priority Need addressed.

#### ***Affordable Housing***

**Housing Rehabilitation Program - IDIS Activity #162** **\$222,078.41**

A total of \$222,078.41 was expended during 2010. The CDBG-funded Housing Rehabilitation Program undertook one very-low income owner-occupied rehabilitation project and one very-low income rental rehabilitation project this program year. The remainder of the 2010 allocation was reprogrammed for program year 2011.

*Performance Objective:* Decent Housing

*Performance Outcome:* Availability/Accessibility

#### ***Youth Services***

**Youth Center Staff - IDIS Activity #161** **\$144,136.21**

A total of \$144,136.21 in CDBG funds was used for Youth Center operations during the program year. The center provided a variety of youth services and activities, including social service referrals, recreation programs and special events. During the program year, the Youth Center served 210 youth. More than 96% of the youth served were minorities.

*Performance Objective:* Suitable Living Environment

*Performance Outcome:* Availability/Accessibility

#### ***Non-housing Community Development***

**El Pájaro Community Development Corporation - IDIS Activity #164** **\$36,650.00**

The City provided a sub-recipient grant of CDBG funds to El Pájaro Community Development Corporation for their Small Business Incubator and Business Technical Assistance programs. A total of \$36,650 was expended during the program year to provide technical assistance to 136 client (local small businesses and micro-enterprises), including 16 tenants of the Plaza Vigil Business Incubator. About ninety-five percent of the businesses assisted were minority-owned, 59% were women-owned and 15% were female/male partnerships. The programs assisted in the creation or retention of 45 full-time jobs and 30 part-time jobs. The remainder of the 2010 allocation was carried over for program year 2011.

*Performance Objective:* Economic Opportunity

*Performance Outcome:* Availability/Accessibility

**Code Enforcement - IDIS Activity #163** **\$150,000.00**

Funding for residential code enforcement services primarily in older neighborhoods. A total of \$150,000.00 was expended to complete this activity during the program year.

*Performance Objective:* Suitable Living Environment

*Performance Outcome:* Availability/Accessibility

***Economic Development*****Downtown Commercial Rehabilitation (Façade/Sign) – IDIS Activity #165** **\$22,948.25**

Matching grants for façade and/or sign improvements, and loans for more substantial rehabilitation of commercial properties in the downtown. A total of \$22,948.25 was expended on this activity during the program year. A portion of the remainder of the 2010 allocation was retained for program year 2011.

*Performance Objective:* Economic Opportunity

*Performance Outcome:* Sustainability

***Public Facilities*****Downtown Streetscape Improvements Ph. II - IDIS Activity #154** **\$104,723.80**

Replacement and upgrade of downtown street lights and electrical components, including street furniture and hardscapes, to improve pedestrian safety, improve security, and as part of the downtown revitalization efforts to encourage economic development. A total of \$104,723.80 was spent during the program year. The remainder of this allocation will be carried over to the 2011 program year.

*Performance Objective:* Suitable Living Environment

*Performance Outcome:* Availability/Accessibility

***Planning and Administration*****Planning and Administration - IDIS Activity #167** **\$103,886.95**

The City expended a total of \$103,886.95 during the program year to provide administrative services related to the CDBG program, including program and activity planning, budget preparation, grant compliance and monitoring, plans, studies, outreach and technical assistance.

*Performance Objective:* N/A

*Performance Outcome:* N/A

***Section 108 Loan Repayment***

**Section 108 Loan Repayment - IDIS Activity #166** **\$209,166.55**

The City expended a total of \$209,166.55 during the program year in the form of required loan payments on the Section 108 loan it received several years ago to construct the new parking structure adjacent to the Civic Plaza.

*Performance Objective:* N/A

*Performance Outcome:* N/A

**Total Activity Draws during Program Year: \$993,590.17**

## Other CDBG Requirements

### *Expenditure Restrictions and Caps*

One hundred percent of the CDBG funds expended for projects during the program year were used to benefit very low-, low- and moderate-income persons.

Administrative expenditures during the program year were well within the 20% cap on this expenditure category, at approximately 10.13% of the entitlement amount plus the current year's Program Income.

Expenditures during the program year for Public Services comprised 13.17% of the City's Entitlement amount plus the prior year's Program Income, under the 15% cap.

### *Low- and Moderate-Income Limited Clientele Activities*

Low- and moderate-income limited clientele activities not qualifying under the presumed benefit category include the Youth Center activities. The Youth Center is located in a low- and moderate-income block group (neighborhood), and is patronized by neighborhood youth. The services provided include information and referrals to health and other services, summer lunch, and recreational and educational activities for at-risk youth. Due to the nature of the services provided and the location of the Center, it can be reasonably assumed that the Center's clientele is at least 51% low- and moderate-income. In recent discussions with HUD staff, it was noted that this activity, which was previously classified as a Benefit to Low/Moderate Persons on a Limited Clientele Basis, would be more appropriately classified as a Benefit to Low/Moderate Persons on an Area Basis. With a median income of 65% of the county median, the entire city of Watsonville qualifies as a low- and moderate-income area.

### *Timeliness and Program Income*

The City was successful in meeting the requirements of the 1.5 timeliness test as of April 30, 2010. The City continues its efforts to maintain timely disbursement of CDBG funds. At the end of the program year, the City's Program Income balance was \$0.

### *Slow-Moving Activities*

Staff has increased quarterly review of expenditures and activity progress to reduce the incidence of slow-moving activities.

### *Other Required Actions*

During the program year, the City undertook the actions listed in the Action Plan, provided requested certifications for consistency for HUD programs, and did not hinder the Consolidated Plan implementation by action or willful inaction.

### **Supplemental Information: Maps**

1. City of Watsonville: Low and Moderate Income Areas Census Tracts
2. City of Watsonville: Low and Moderate Income Areas Block Groups
3. City of Watsonville: Areas of Hispanic Concentration

### **Integrated Disbursement and Information System Reports**

Four year-end reports generated from HUD's Integrated Disbursement and Information System (IDIS) follow:

- PR01 - HUD Grants and Program Income
- PR03 - Summary of Activities - Program Year 2010
- PR23 - Summary of Accomplishments
- PR26 - CDBG Financial Summary

*% Low-Moderate  
2000  
Income Levels  
Within Census  
Tracts*



*City of  
Watsonville*

**Legend**

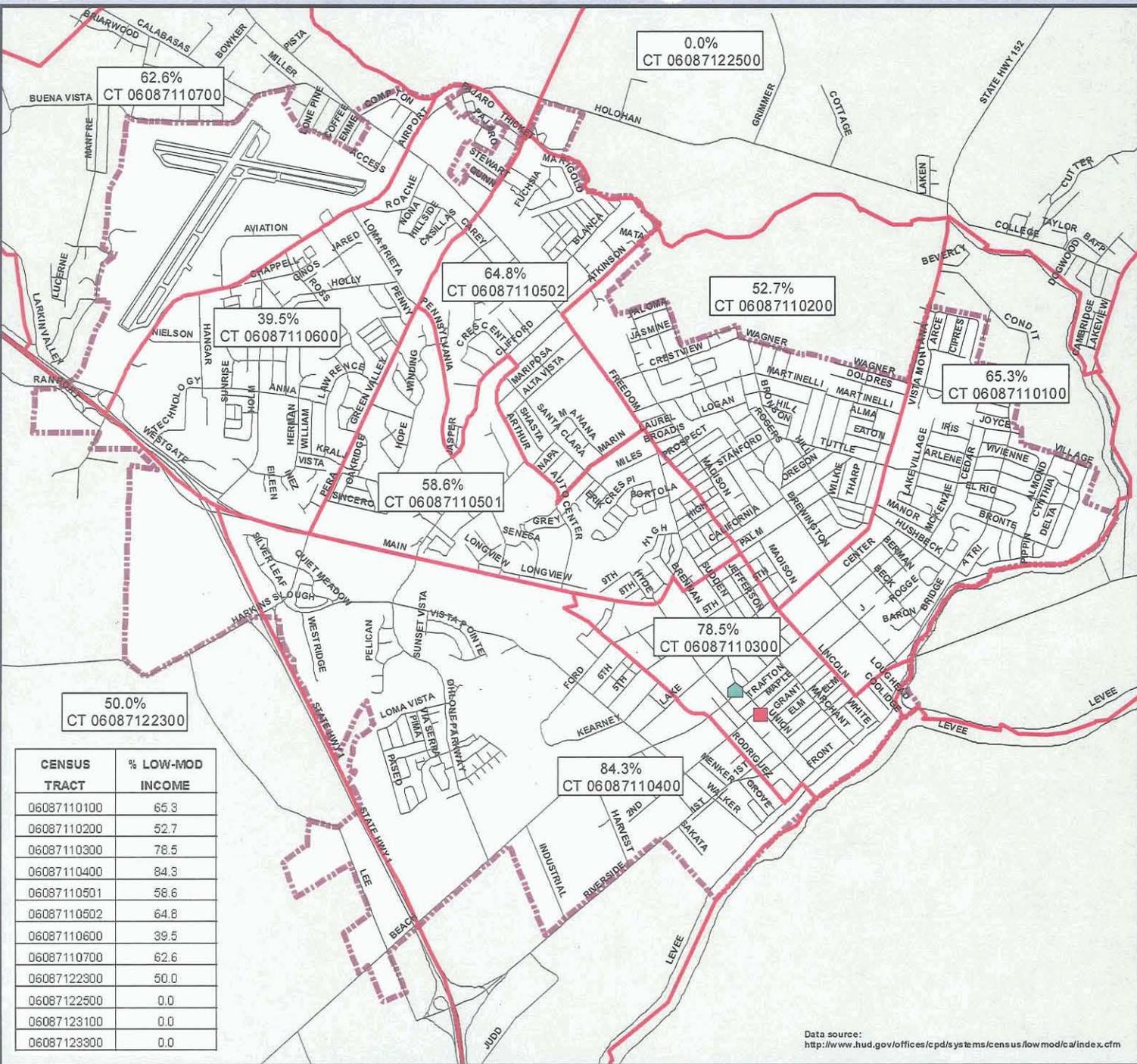
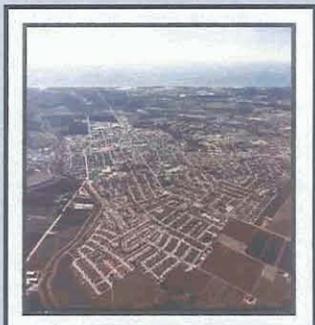
-  El Pajaro Community Dev. Corp.
-  Youth Center
-  Census Tracts
-  Watsonville City Limit



1 inch equals 0.49 miles



Prepared by Watsonville GIS Center 5-1-2008 (CDB/CS01).  
This Document is a graphic representation using the best currently available sources.  
The City of Watsonville assumes no responsibility for any errors.



CENSUS TRACT	% LOW-MOD INCOME
06087110100	65.3
06087110200	52.7
06087110300	78.5
06087110400	84.3
06087110501	58.6
06087110502	64.8
06087110600	39.5
06087110700	62.6
06087122300	50.0
06087122500	0.0
06087123100	0.0
06087123300	0.0

Data source:  
<http://www.hud.gov/offices/cpd/systems/census/lowmod/ca/index.cfm>

# % Low-Moderate 2000 Income Levels Within Census Block Groups



City of  
Watsonville

## Legend

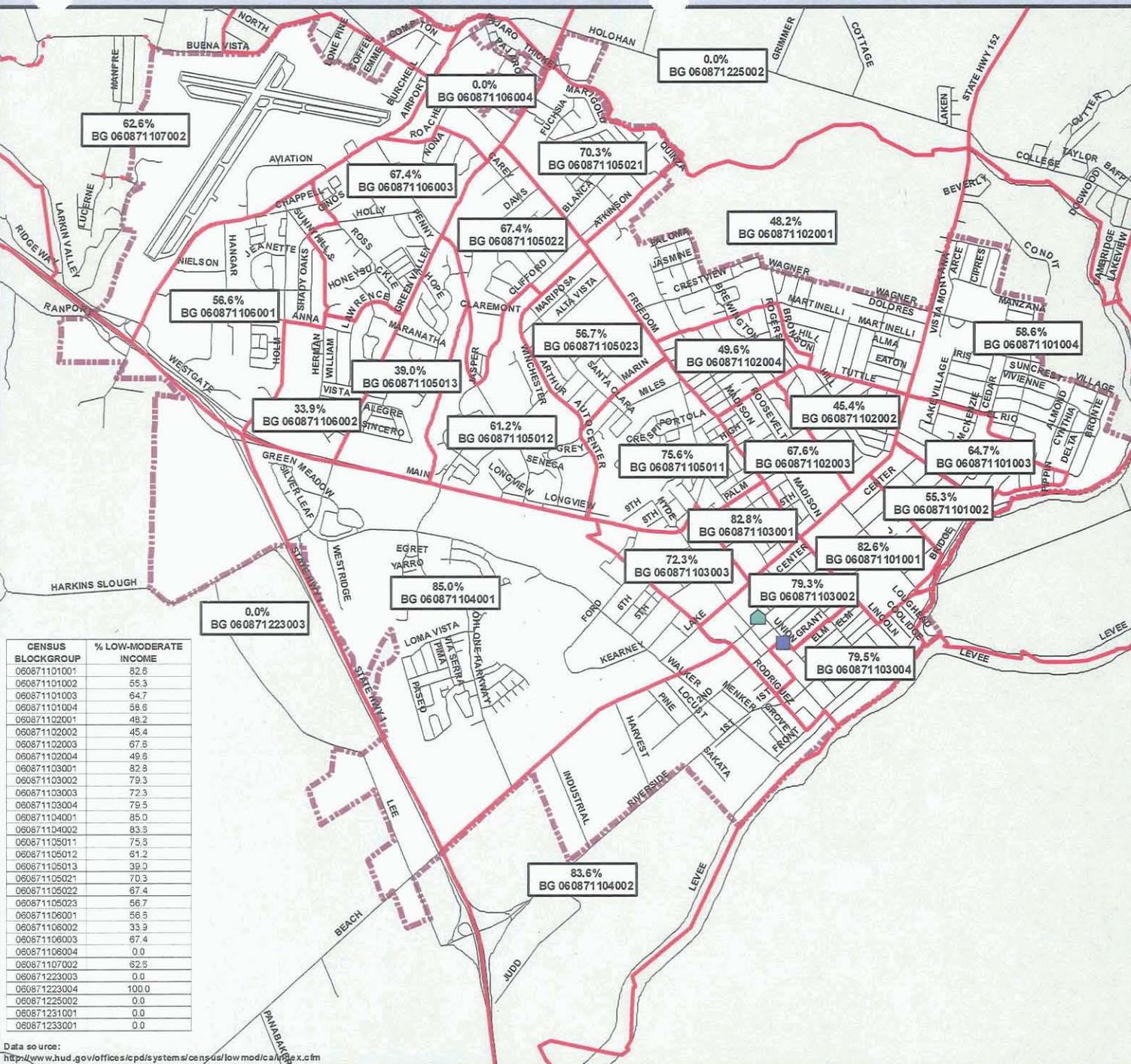
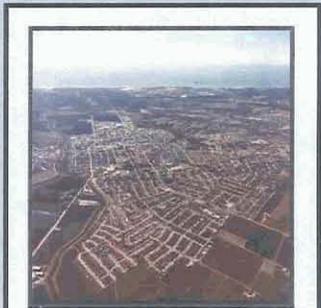
-  Youth Center
-  El Pajaro Community Dev. Corp.
-  Census Block Group
-  Watsonville City Limit



1 inch equals 0.49 miles



Prepared by Watsonville GIS Center 4-20-05 (C090001).  
This document is a graphic representation using the best currently available sources.  
The City of Watsonville assumes no responsibility for any errors.



CENSUS BLOCKGROUP	% LOW-MODERATE INCOME
060871101001	82.5
060871101002	55.3
060871101003	64.7
060871101004	58.6
060871102001	49.2
060871102002	45.4
060871102003	67.6
060871102004	49.6
060871103001	82.8
060871103002	79.3
060871103003	72.3
060871103004	79.5
060871104001	85.0
060871104002	83.6
060871105011	75.6
060871105012	61.2
060871105013	39.0
060871105021	70.3
060871105022	67.4
060871105023	56.7
060871106001	56.6
060871106002	33.9
060871106003	67.4
060871106004	0.0
060871107002	62.6
060871223003	0.0
060871223004	100.0
060871225002	0.0
060871231001	0.0
060871233001	0.0

Data source:  
<http://www.hud.gov/offices/cpds/systems/census/lowmod/ca/figs.htm>

# Percent Hispanic & Non-Hispanic Populations Within 2000 Census Block Groups



City of  
Watsonville

## Legend

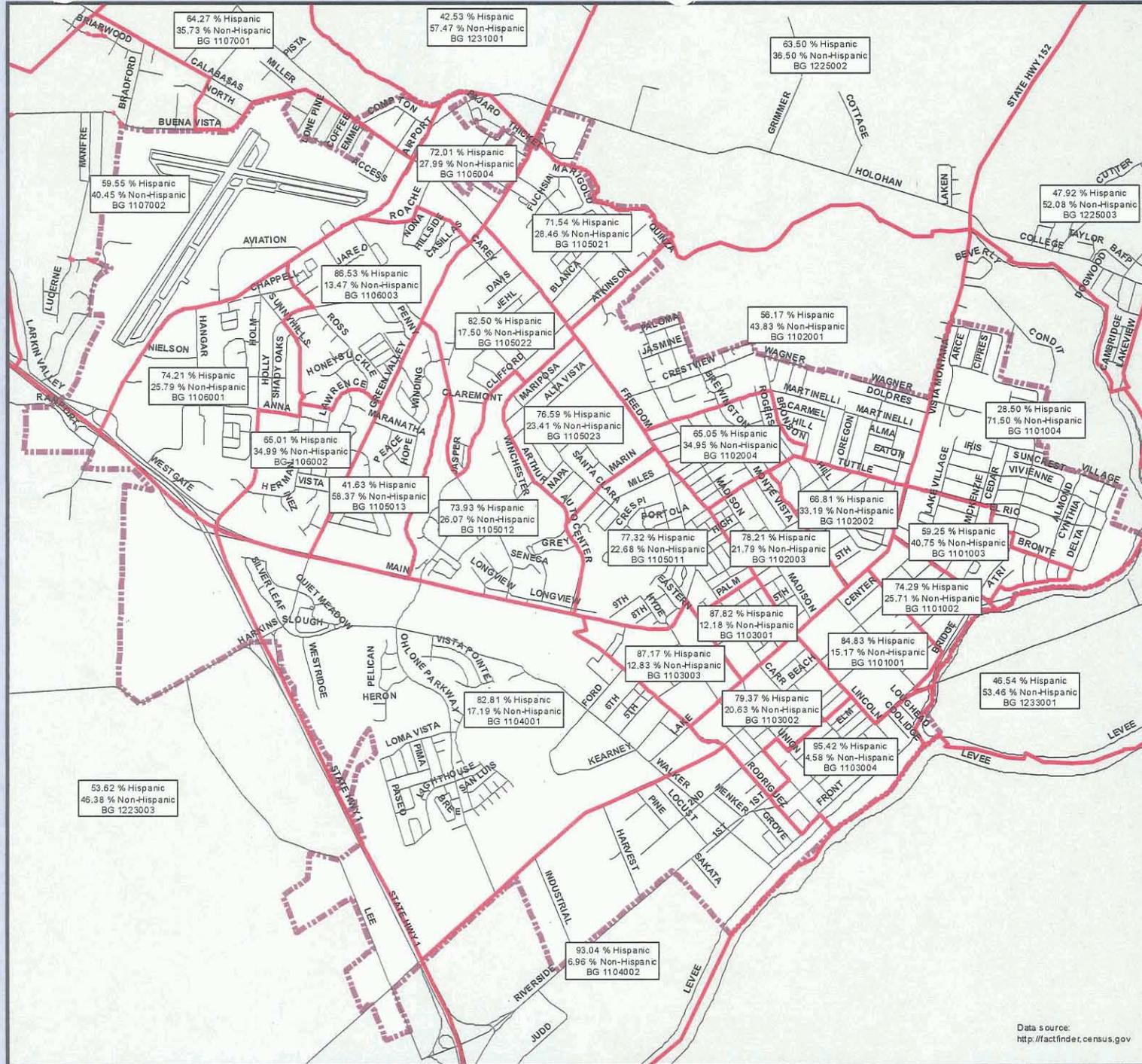
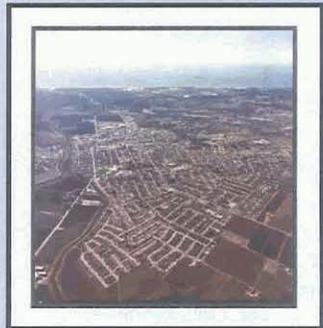
- Census Block Group
- Watsonville City Limit



1 inch equals 0.47 miles



Prepared by Watsonville GIS Center 5-504 (02/05/04).  
This document is a graphic representation using the best currently available sources.  
The City of Watsonville assumes no responsibility for any errors.



Data source:  
<http://factfinder.census.gov>





U.S. Department of Housing and Urban Development  
Office of Community Planning and Development  
Integrated Disbursement and Information System  
CDBG Activity Summary Report (GPR) for Program Year 2010  
WATSONVILLE

Date: 29-Sep-2011  
Time: 13:20  
Page: 1

**PGM Year:** 1994  
**Project:** 0002 - CONVERTED CDBG ACTIVITIES  
**IDIS Activity:** 2 - CDBG COMMITTED FUNDS ADJUSTMENT

**Status:** Open  
**Location:** ,

**Objective:**  
**Outcome:**  
**Matrix Code:** Planning (20)

**National Objective:**

**Initial Funding Date:** 01/01/0001

**Description:**

**Financing**

Funded Amount: 1,487,714.77  
Drawn Thru Program Year: 1,487,714.77  
Drawn In Program Year: 0.00

**Proposed Accomplishments**

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefiting

**PGM Year:** 2009  
**Project:** 07 Youth Center Staff  
**IDIS Activity:** 15 Youth Center Staff  
**Status:** Completed  
**Location:** 30 Maple Avenue Watsonville, CA 95076

**Objective:** Create suitable living environments  
**Outcome:** Availability/accessibility  
**Matrix Code:** Youth Services (05D) **National Objective:** LMC

**Initial Funding Date:** 02/25/2010

**Description:**  
 Funding of staffing at the Gene Hoularis Waldo Rodriguez Youth Center.

**Financing**  
 Funded Amount: 150,000.00  
 Drawn Thru Program Year: 150,000.00  
 Drawn In Program Year: 0.00

**Proposed Accomplishments**

People (General) : 350

**Actual Accomplishments**

Number assisted:

	Owner		Renter		Total		Person	
	Total	Hispanic	Total	Hispanic	Total	Hispanic	Total	Hispanic
White:	0	0	0	0	0	0	6	0
Black/African American:	0	0	0	0	0	0	0	0
Asian:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native:	0	0	0	0	0	0	0	0
Native Hawaiian/Other Pacific Islander:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & White:	0	0	0	0	0	0	0	0
Asian White:	0	0	0	0	0	0	0	0
Black/African American & White:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & Black/African American:	0	0	0	0	0	0	0	0
Other multi-racial:	0	0	0	0	0	0	169	169
Asian/Pacific Islander:	0	0	0	0	0	0	0	0
Hispanic:	0	0	0	0	0	0	0	0
<b>Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>175</b>	<b>169</b>

Female-headed Households: 0 0 0

Income Category:

	Owner	Renter	Total	Person
Extremely Low	0	0	0	118
Low Mod	0	0	0	33
Moderate	0	0	0	24
Non Low Moderate	0	0	0	0
Total	0	0	0	175
Percent Low/Mod				100.0%

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefitting

2009 175 175 youth benefitted from this activity during the program year.

**PGM Year:** 2009  
**Project:** 3 - Downtown Police Department Foot Patrol  
**IDIS Activity:** 153 - Downtown Police Department Foot Patrol

**Status:** Completed  
**Location:** Downtown Watsonville, CA 95076

**Objective:** Create suitable living environments  
**Outcome:** Availability/accessibility  
**Matrix Code:** Crime Awareness (05I) **National Objective:** LMA

**Initial Funding Date:** 02/25/2010

**Financing**

Funded Amount: 20,000.00  
Drawn Thru Program Year: 20,000.00  
Drawn In Program Year: 0.00

**Description:**

Crime prevention awareness funding for foot or bicycle patrols of downtown area for improved public safety during the program year.

**Proposed Accomplishments**

People (General) : 7,683  
Total Population in Service Area: 7,447  
Census Tract Percent Low / Mod: 78.30

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefitting

2009 Crime/prevention awareness funding for foot or bicycle patrols of downtown area for improved public safety during the program year.

**PGM Year:** 2009  
**Project:** 0004 - Downtown Streetscape Improvements-Phases II  
**IDIS Activity:** 154 - Downtown Streetscape Improvements-Phase II

**Status:** Open  
**Location:** Downtown Watsonville, CA 95076

**Objective:** Create suitable living environments  
**Outcome:** Availability/accessibility  
**Matrix Code:** Street Improvements (03K) **National Objective:** LMA

**Initial Funding Date:** 04/19/2010

**Financing**

Funded Amount: 134,227.58  
Drawn Thru Program Year: 134,227.58  
Drawn In Program Year: 104,723.80

**Description:**

**Proposed Accomplishments**

People (General) : 7,683  
Total Population in Service Area: 7,447  
Census Tract Percent Low / Mod: 78.30

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefitting

2010 This project to replacement and upgrade downtown street lights and electrical components, including street furniture and hardscapes expended at total of  
2009 Replacement and upgrade of downtown street lights and electrical components, including street furniture and hardscapes, to improve pedestrian safety,

**PGM Year:** 2009  
**Project:** 0000 - Housing Rehabilitation Program  
**IDIS Activity:** 155 - Housing Rehabilitation Program

**Status:** Completed      **Objective:** Provide decent affordable housing  
**Location:** Citywide Watsonville, CA 95076      **Outcome:** Availability/accessibility  
**Matrix Code:** Rehab; Single-Unit Residential (14A)      **National Objective:** LMH

**Initial Funding Date:** 02/25/2010

**Description:**  
 City of Watsonville Housing Rehabilitation Program

**Financing**  
 Funded Amount: 142,653.56  
 Drawn Thru Program Year: 142,653.56  
 Drawn In Program Year: 0.00

**Proposed Accomplishments**

Housing Units : 3

**Actual Accomplishments**

Number assisted:	Owner		Renter		Total		Person	
	Total	Hispanic	Total	Hispanic	Total	Hispanic	Total	Hispanic
White:	2	2	0	0	2	2	0	0
Black/African American:	0	0	0	0	0	0	0	0
Asian:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native:	0	0	0	0	0	0	0	0
Native Hawaiian/Other Pacific Islander:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & White:	0	0	0	0	0	0	0	0
Asian White:	0	0	0	0	0	0	0	0
Black/African American & White:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & Black/African American:	0	0	0	0	0	0	0	0
Other multi-racial:	0	0	0	0	0	0	0	0
Asian/Pacific Islander:	0	0	0	0	0	0	0	0
Hispanic:	0	0	0	0	0	0	0	0
<b>Total:</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>

Female-headed Households: 0      0      0

Income Category:	Owner	Renter	Total	Person
Extremely Low	2	0	2	0
Low Mod	0	0	0	0
Moderate	0	0	0	0
Non Low Moderate	0	0	0	0
Total	2	0	2	0
Percent Low/Mod	100.0%		100.0%	

**Annual Accomplishments**

**Accomplishment Narrative**

Year	# Benefiting	Accomplishment Narrative
2009	2	Two units were completed during the program year. Balance of allocation will be carried over or reprogrammed for next program year to continue

**PGM Year:** 2009  
**Project:** 3 - Code Enforcement  
**IDIS Activity:** 156 - Code Enforcement

**Status:** Completed  
**Location:** Citywide Watsonville, CA 95076

**Objective:** Provide decent affordable housing  
**Outcome:** Availability/accessibility  
**Matrix Code:** Code Enforcement (15) **National Objective:** LMA

**Initial Funding Date:** 02/25/2010

**Financing**

Funded Amount: 150,000.00  
Drawn Thru Program Year: 150,000.00  
Drawn In Program Year: 0.00

**Description:**

Funding for residential code enforcement services primarily in older neighborhoods.

**Proposed Accomplishments**

Housing Units : 100  
Total Population in Service Area: 44,964  
Census Tract Percent Low / Mod: 66.60

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefitting

2009 A total of \$150,000.00 was expended to complete this activity during the program year, which provided funding for residential code enforcement services

PGM Year: 2009  
 Project: 01 - EPCDC Small Business Assistance Program  
 IDIS Activity: 157 - EPCDC Small Business Assistance Program

Status: Completed  
 Location: Citywide Watsonville, CA 95076

Objective: Create economic opportunities  
 Outcome: Availability/accessibility  
 Matrix Code: Micro-Enterprise Assistance (18C) National Objective: LMC

Initial Funding Date: 04/19/2010

Description:

**Financing**

Funded Amount: 49,999.00  
 Drawn Thru Program Year: 49,999.00  
 Drawn In Program Year: 0.00

**Proposed Accomplishments**

Businesses : 50

**Actual Accomplishments**

Number assisted:

	Owner		Renter		Total		Person	
	Total	Hispanic	Total	Hispanic	Total	Hispanic	Total	Hispanic
White:	0	0	0	0	0	0	6	1
Black/African American:	0	0	0	0	0	0	0	0
Asian:	0	0	0	0	0	0	1	0
American Indian/Alaskan Native:	0	0	0	0	0	0	3	3
Native Hawaiian/Other Pacific Islander:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & White:	0	0	0	0	0	0	0	0
Asian White:	0	0	0	0	0	0	0	0
Black/African American & White:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & Black/African American:	0	0	0	0	0	0	0	0
Other multi-racial:	0	0	0	0	0	0	103	103
Asian/Pacific Islander:	0	0	0	0	0	0	0	0
Hispanic:	0	0	0	0	0	0	0	0
<b>Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>113</b>	<b>107</b>

Female-headed Households: 0 0 0

Income Category:

	Owner	Renter	Total	Person
Extremely Low	0	0	0	36
Low Mod	0	0	0	50
Moderate	0	0	0	27
Non Low Moderate	0	0	0	0
Total	0	0	0	113
Percent Low/Mod				100.0%

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefitting

2009 113

EI Pajaro Community Development Corporation (EPCDC) provided bilingual microenterprise and business technical assistance to 113 local business clients

**PGM Year:** 2009  
**Project:** 3 - Downtown Commercial Rehabilitation Including Facade and Sign  
**IDIS Activity:** 158 - Downtown Commercial Rehabilitation Including Facade and Sign

**Status:** Completed      **Objective:** Create economic opportunities  
**Location:** Downtown Watsonville, CA 95076      **Outcome:** Sustainability  
**Matrix Code:** ED Direct Financial Assistance to For-      **National Objective:** SBA

**Initial Funding Date:** 02/25/2010      **Description:**

**Financing**  
Funded Amount: 44,154.58  
Drawn Thru Program Year: 44,154.58  
Drawn In Program Year: 0.00

**Proposed Accomplishments**  
Businesses : 5

<b>Annual Accomplishments</b>		<b>Accomplishment Narrative</b>
Year	# Benefiting	
2009	0	Matching grants for façade and/or sign improvements, and loans for more substantial rehabilitation of commercial properties in the downtown. A total of

**PGM Year:** 2009  
**Project:** 0009 - Section 108 Loan - Planned Repayments  
**IDIS Activity:** 159 - Section 108 Loan - Planned Repayment

**Status:** Completed      **Objective:**  
**Location:**      **Outcome:**  
**Matrix Code:** Planned Repayment of Section 108      **National Objective:**

**Initial Funding Date:** 02/25/2010      **Description:**

**Financing**  
Funded Amount: 213,833.80  
Drawn Thru Program Year: 213,833.80  
Drawn In Program Year: 0.00

**Proposed Accomplishments**

<b>Annual Accomplishments</b>		<b>Accomplishment Narrative</b>
Year	# Benefiting	

**PGM Year:** 2009  
**Project:** 06 - Administration and Planning  
**IDIS Activity:** 160 - Administration and Planning

**Status:** Completed  
**Location:** ,

**Objective:**  
**Outcome:**  
**Matrix Code:** General Program Administration (21A)      **National Objective:**

**Initial Funding Date:** 02/25/2010

**Description:**

**Financing**  
Funded Amount: 142,283.59  
Drawn Thru Program Year: 142,283.59  
Drawn In Program Year: 0.00

**Proposed Accomplishments**

<b>Annual Accomplishments</b>	<b>Accomplishment Narrative</b>
Year      # Benefitting	

PGM Year: 2010  
 Project: I - Youth Center Staff  
 IDIS Activity: 161 - Youth Center Staff  
 Status: Completed  
 Location: 30 Maple Ave Watsonville, CA 95076-4605

Objective: Create suitable living environments  
 Outcome: Availability/accessibility  
 Matrix Code: Youth Services (05D) National Objective: LMC

Initial Funding Date: 03/07/2011

Description:  
 Funding of staffing at Gene Hoularis Waldo Rodriguez Youth Center.

**Financing**

Funded Amount: 144,136.21  
 Drawn Thru Program Year: 144,136.21  
 Drawn In Program Year: 144,136.21

**Proposed Accomplishments**

People (General) : 350

**Actual Accomplishments**

Number assisted:

	Owner		Renter		Total		Person	
	Total	Hispanic	Total	Hispanic	Total	Hispanic	Total	Hispanic
White:	0	0	0	0	0	0	5	1
Black/African American:	0	0	0	0	0	0	2	1
Asian:	0	0	0	0	0	0	1	0
American Indian/Alaskan Native:	0	0	0	0	0	0	0	0
Native Hawaiian/Other Pacific Islander:	0	0	0	0	0	0	1	0
American Indian/Alaskan Native & White:	0	0	0	0	0	0	0	0
Asian White:	0	0	0	0	0	0	0	0
Black/African American & White:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & Black/African American:	0	0	0	0	0	0	0	0
Other multi-racial:	0	0	0	0	0	0	201	201
Asian/Pacific Islander:	0	0	0	0	0	0	0	0
Hispanic:	0	0	0	0	0	0	0	0
<b>Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>210</b>	<b>203</b>

Female-headed Households: 0 0 0

Income Catearv:

	Owner	Renter	Total	Person
Extremely Low	0	0	0	166
Low Mod	0	0	0	36
Moderate	0	0	0	8
Non Low Moderate	0	0	0	0
Total	0	0	0	210
Percent Low/Mod				100.0%

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefitting

2010 210 210 Youth benefitted from this activity during the program year.

PGM Year: 2010  
 Project: 01 Housing Rehabilitation Program  
 IDIS Activity: 16z - Housing Rehabilitation Program

Status: Completed  
 Location: Citywide Watsonville, CA 95076

Objective: Provide decent affordable housing  
 Outcome: Availability/accessibility  
 Matrix Code: Rehab; Single-Unit Residential (14A) National Objective: LMH

Initial Funding Date: 03/07/2011

Description:  
 City of Watsonville Housing Rehabilitation Program.

Financing  
 Funded Amount: 222,078.41  
 Drawn Thru Program Year: 222,078.41  
 Drawn In Program Year: 222,078.41

**Proposed Accomplishments**

Housing Units : 3

**Actual Accomplishments**

Number assisted:

	Owner		Renter		Total		Person	
	Total	Hispanic	Total	Hispanic	Total	Hispanic	Total	Hispanic
White:	0	0	0	0	0	0	0	0
Black/African American:	0	0	0	0	0	0	0	0
Asian:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native:	0	0	0	0	0	0	0	0
Native Hawaiian/Other Pacific Islander:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & White:	0	0	0	0	0	0	0	0
Asian White:	0	0	0	0	0	0	0	0
Black/African American & White:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & Black/African American:	0	0	0	0	0	0	0	0
Other multi-racial:	2	2	0	0	2	2	0	0
Asian/Pacific Islander:	0	0	0	0	0	0	0	0
Hispanic:	0	0	0	0	0	0	0	0
<b>Total:</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>

Female-headed Households: 0 0 0

Income Category:

	Owner	Renter	Total	Person
Extremely Low	0	0	0	0
Low Mod	2	0	2	0
Moderate	0	0	0	0
Non Low Moderate	0	0	0	0
Total	2	0	2	0
Percent Low/Mod	100.0%		100.0%	

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefiting

2010 2

**PGM Year:** 2010  
**Project:** 3 - Code Enforcement  
**IDIS Activity:** 163 - Code Enforcement

**Status:** Completed  
**Location:** Citywide Watsonville, CA 95076

**Objective:** Provide decent affordable housing  
**Outcome:** Availability/accessibility  
**Matrix Code:** Code Enforcement (15) **National Objective:** LMA

**Initial Funding Date:** 03/07/2011

**Financing**  
Funded Amount: 150,000.00  
Drawn Thru Program Year: 150,000.00  
Drawn In Program Year: 150,000.00

**Description:**  
Funding for code enforcement.

**Proposed Accomplishments**  
Housing Units : 100  
Total Population in Service Area: 44,964  
Census Tract Percent Low / Mod: 66.60

**Annual Accomplishments**  
Year # Benefitting

**Accomplishment Narrative**

2010 A total of \$150,000 was expended to complete this activity during the program year, which provided funding for residential code enforcement services.

PGM Year: 2010  
 Project: 06 - Micro/Small Business Assistance Program  
 IDIS Activity: 164 - Micro/Small Business Assistance Program

Status: Completed  
 Location: 23 E Beach St Watsonville, CA 95076-4635

Objective: Create economic opportunities  
 Outcome: Availability/accessibility  
 Matrix Code: Micro-Enterprise Assistance (18C) National Objective: LMC

Initial Funding Date: 03/07/2011

**Financing**

Funded Amount: 36,650.00  
 Drawn Thru Program Year: 36,650.00  
 Drawn In Program Year: 36,650.00

**Description:**

Subrecipient grant to El Pajaro Community Development Corporation for the provision of micro-enterprisesmall business technical assistance.

**Proposed Accomplishments**

Businesses : 50

**Actual Accomplishments**

*Number assisted:*

	Owner		Renter		Total		Person	
	Total	Hispanic	Total	Hispanic	Total	Hispanic	Total	Hispanic
White:	0	0	0	0	0	0	9	3
Black/African American:	0	0	0	0	0	0	0	0
Asian:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native:	0	0	0	0	0	0	5	5
Native Hawaiian/Other Pacific Islander:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & White:	0	0	0	0	0	0	1	0
Asian White:	0	0	0	0	0	0	0	0
Black/African American & White:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & Black/African American:	0	0	0	0	0	0	0	0
Other multi-racial:	0	0	0	0	0	0	121	121
Asian/Pacific Islander:	0	0	0	0	0	0	0	0
Hispanic:	0	0	0	0	0	0	0	0
<b>Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>136</b>	<b>129</b>

Female-headed Households: 0 0 0

*Income Category:*

	Owner	Renter	Total	Person
Extremely Low	0	0	0	45
Low Mod	0	0	0	57
Moderate	0	0	0	34
Non Low Moderate	0	0	0	0
Total	0	0	0	136
Percent Low/Mod				100.0%

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefitting

2010 136

El Pajaro Community Development Corporation (EPCDC) provided bilingual microenterprise and business technical assistance to 136 clients(business



**PGM Year:** 2010  
**Project:** 5 - Downtown Commercial Rehabilitation  
**IDIS Activity:** 165 - Downtown Commercial Rehabilitation

**Status:** Completed  
**Location:** Downtown Watsonville, CA 95076

**Objective:** Create economic opportunities  
**Outcome:** Sustainability  
**Matrix Code:** ED Direct Financial Assistance to For-  
**National Objective:** SBA

**Initial Funding Date:** 03/07/2011

**Financing**

Funded Amount: 22,948.25  
 Drawn Thru Program Year: 22,948.25  
 Drawn In Program Year: 22,948.25

**Description:**

Grants for facade andor sign improvments, and loans for more substantial rehabilitation of commercial properties.

**Proposed Accomplishments**

Businesses : 5

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefiting

2010 0

A total of \$22,948.25 was expended during the program year on this activity. The remainder of this allocation will be re-programmed and carried over to the

**PGM Year:** 2010  
**Project:** 0006 - Section 108 Loan - Planned Repayments  
**IDIS Activity:** 166 - Section 108 Loan - Planned Repayments

**Status:** Completed  
**Location:**

**Objective:**  
**Outcome:**  
**Matrix Code:** Planned Repayment of Section 108  
**National Objective:**

**Initial Funding Date:** 03/07/2011

**Financing**

Funded Amount: 209,166.55  
 Drawn Thru Program Year: 209,166.55  
 Drawn In Program Year: 209,166.55

**Description:**

Annual debt service on 20-year loan.

**Proposed Accomplishments**

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefiting

PGM Year: 2010

Project: 06 Administration and Planning  
IDIS Activity: 167 - Administration and Planning

Status: Completed

Location:

Initial Funding Date: 03/07/2011

Description: Program delivery, administration, planning, technical assistance, studies and monitoring functions.

Objective: Outcome: Matrix Code: General Program Administration (21A) National Objective:

Funded Amount: 103,886.95  
Drawn Thru Program Year: 103,886.95  
Drawn In Program Year: 103,886.95

Proposed Accomplishments  
Annual Accomplishments Year # Benefiting

Accomplishment Narrative

Total Funded Amount: \$3,423,733.25  
Total Drawn Thru Program Year: \$3,423,733.25  
Total Drawn In Program Year: \$993,590.17

PR03 - WATSONVILLE

PR23 (1 of 7) - Count of CDBG Activities with Disbursements by Activity Group & Matrix Code

Page by:  
 Grantee: 37808:WATSONVILLE  
 For Program Year: 2010

Activity Group	Activity Category	Underway Count	Underway Activities Disbursed	Completed Count	Completed Activities Disbursed	Program Year Count	Total Activities Disbursed
Economic Development	ED Direct Financial Assistance to For-Profits (18A)	0	\$0.00	2	\$22,948.25	2	\$22,948.25
	Micro-Enterprise Assistance (18C)	0	\$0.00	2	\$36,650.00	2	\$36,650.00
Housing	Rehab; Single-Unit Residential (14A)	0	\$0.00	4	\$59,598.25	4	\$59,598.25
	Code Enforcement (15)	0	\$0.00	2	\$222,078.41	2	\$222,078.41
		0	\$0.00	2	\$150,000.00	2	\$150,000.00
Public Facilities and Improvements	Street Improvements (03K)	0	\$0.00	4	\$372,078.41	4	\$372,078.41
		1	\$104,723.80	0	\$0.00	1	\$104,723.80
		1	\$104,723.80	0	\$0.00	1	\$104,723.80
Public Services	Youth Services (05D)	0	\$0.00	2	\$144,136.21	2	\$144,136.21
	Crime Awareness (05I)	0	\$0.00	1	\$0.00	1	\$0.00
		0	\$0.00	3	\$144,136.21	3	\$144,136.21
General Administration and Planning	Planning (20)	1	\$0.00	0	\$0.00	1	\$0.00
	General Program Administration (21A)	0	\$0.00	2	\$103,886.95	2	\$103,886.95
		1	\$0.00	2	\$103,886.95	3	\$103,886.95
Repayment of Section 108 Loans	Planned Repayment of Section 108 Loan Principal (19F)	0	\$0.00	2	\$209,166.55	2	\$209,166.55
		0	\$0.00	2	\$209,166.55	2	\$209,166.55
		2	\$104,723.80	15	\$888,866.37	17	\$993,590.17

# PR23 (2 of 7) - CDBG Sum of Actual Accomplishments by Activity Group and Accomplishment Type

Page by:  
 Grantee: 37808:WATSONVILLE  
 For Program Year: 2010

Activity Group	Matrix Code	Accomplishment Type	Open Count	Completed Count	Program Year Totals
Economic Development	ED Direct Financial Assistance to For-Profits (18A)	Business	0	0	0
	Micro-Enterprise Assistance (18C)	Business	0	249	249
			<b>0</b>	<b>249</b>	<b>249</b>
Housing	Rehab; Single-Unit Residential (14A)	Housing Units	0	4	4
	Code Enforcement (15)	Housing Units	0	89,928	89,928
			<b>0</b>	<b>89,932</b>	<b>89,932</b>
Public Facilities and Improvements	Street Improvements (03K)	Persons	14,894	0	14,894
				<b>14,894</b>	<b>0</b>
Public Services	Youth Services (05D)	Persons	0	385	385
	Crime Awareness (05I)	Persons	0	7,447	7,447
			<b>0</b>	<b>7,832</b>	<b>7,832</b>
			<b>14,894</b>	<b>98,013</b>	<b>112,907</b>

# PR23 (3 of 7) - CDBG Beneficiaries by Racial / Ethnic Category

Page by:  
 Grantee: 37808:WATSONVILLE  
 For Program Year: 2010

Housing-Non Housing	Race	Total Persons	Total Hispanic Persons	Total Households	Total Hispanic Households
Housing	White	0	0	2	2
	Other multi-racial	0	0	2	2
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>
Non Housing	White	26	5	0	0
	Black/African American	2	1	0	0
	Asian	2	0	0	0
	American Indian/Alaskan Native	8	8	0	0
	Native Hawaiian/Other Pacific Islander	1	0	0	0
	American Indian/Alaskan Native & White	1	0	0	0
	Other multi-racial	594	594	0	0
	<b>Total</b>	<b>634</b>	<b>608</b>	<b>0</b>	<b>0</b>
	Total	White	26	5	2
Black/African American		2	1	0	0
Asian		2	0	0	0
American Indian/Alaskan Native		8	8	0	0
Native Hawaiian/Other Pacific Islander		1	0	0	0
American Indian/Alaskan Native & White		1	0	0	0
Other multi-racial		594	594	2	2
<b>Total</b>		<b>634</b>	<b>608</b>	<b>4</b>	<b>4</b>

# PR23 (4 of 7) - CDBG Beneficiaries by Income Category

**Page by:**

Grantee: 37808:WATSONVILLE

For Program Year: 2010

Income Levels		Owner Occupied	Renter Occupied	Persons
Housing	Extremely Low (<=30%)	2	0	0
	Low (>30% and <=50%)	2	0	0
	Mod (>50% and <=80%)	0	0	0
	Total Low-Mod	4	0	0
	Non Low-Mod (>80%)	0	0	0
	Total Beneficiaries	4	0	0
Non Housing	Extremely Low (<=30%)	0	0	365
	Low (>30% and <=50%)	0	0	176
	Mod (>50% and <=80%)	0	0	93
	Total Low-Mod	0	0	634
	Non Low-Mod (>80%)	0	0	0
	Total Beneficiaries	0	0	634

**PR 26 - CDBG Financial Summary Report**

Metrics

Grantee

WATSONVILLE , CA

Program Year

2010

**PART I: SUMMARY OF CDBG RESOURCES**

01 UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR	1,056,221.32
02 ENTITLEMENT GRANT	927,713.00
03 SURPLUS URBAN RENEWAL	0
04 SECTION 108 GUARANTEED LOAN FUNDS	0
05 CURRENT YEAR PROGRAM INCOME	92,004.39
06 RETURNS	0
07 ADJUSTMENT TO COMPUTE TOTAL AVAILABLE	5,837.70 *
08 TOTAL AVAILABLE (SUM, LINES 01-07)	2,081,776.41

**PART II: SUMMARY OF CDBG EXPENDITURES**

09 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION	680,536.67
10 ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT	0
11 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)	680,536.67
12 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	103,886.95
13 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS	209,166.55
14 ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES	0
15 TOTAL EXPENDITURES (SUM, LINES 11-14)	993,590.17
16 UNEXPENDED BALANCE (LINE 08 - LINE 15)	1,088,186.24

**PART III: LOWMOD BENEFIT THIS REPORTING PERIOD**

17 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS	0
18 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING	0
19 DISBURSED FOR OTHER LOW/MOD ACTIVITIES	657,588.42
20 ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT	0
21 TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)	657,588.42
22 PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)	96.63%

LOW/MOD BENEFIT FOR MULTI-YEAR CERTIFICATIONS

23 PROGRAM YEARS(PY) COVERED IN CERTIFICATION	PY: 2010 PY: 2011 PY:
24 CUMULATIVE NET EXPENDITURES SUBJECT TO LOW/MOD BENEFIT CALCULATION	0
25 CUMULATIVE EXPENDITURES BENEFITING LOW/MOD PERSONS	0
26 PERCENT BENEFIT TO LOW/MOD PERSONS (LINE 25/LINE 24)	0.00%

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

27 DISBURSED IN IDIS FOR PUBLIC SERVICES	144,136.21
28 PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0
29 PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0
30 ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS	0
31 TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)	144,136.21
32 ENTITLEMENT GRANT	927,713.00
33 PRIOR YEAR PROGRAM INCOME	165,425.52
34 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP	1,431.05 **
35 TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)	1,094,569.57
36 PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)	13.17%

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

37 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	103,886.95
38 PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0
39 PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0
40 ADJUSTMENT TO COMPUTE TOTAL PA OBLIGATIONS	0
41 TOTAL PA OBLIGATIONS (LINE 37 + LINE 38 - LINE 39 +LINE 40)	103,886.95
42 ENTITLEMENT GRANT	927,713.00
43 CURRENT YEAR PROGRAM INCOME	92,004.39
44 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP	5,837.70 *
45 TOTAL SUBJECT TO PA CAP (SUM, LINES 42-44)	1,025,555.09
46 PERCENT FUNDS OBLIGATED FOR PA ACTIVITIES (LINE 41/LINE 45)	10.13%

\*Difference between PR26 and actual Current Year Program Income of \$97,842.09, verified per PR01 report

\*\*Difference between PR26 and actual Prior Year Program Income of \$166,856.57, verified per PR01 report



U.S. Department of Housing and Urban Development  
San Francisco Regional Office - Region IX  
600 Harrison Street  
San Francisco, California 94107-1387  
www.hud.gov  
espanol.hud.gov

The Honorable Daniel Dodge  
Mayor  
City of Watsonville  
275 Main Street, Suite 400  
Watsonville, CA 95076

DEC 13 2011

Dear Mayor Dodge:

**SUBJECT:** City of Watsonville, California  
Annual Community Assessment  
Program Year 2010

The U.S. Department of Housing and Urban Development (HUD) annually reviews the performance of each jurisdiction covered by the Consolidated Plan Final Rule, which is codified at 24 CFR Part 91. Each jurisdiction covered by this part has an approved consolidated plan and manages funds made available under one or several programs administered by HUD's Office of Community Planning and Development (CPD), including the Community Development Block Grant (CDBG) program, the HOME Investment Partnerships (HOME) program, the Emergency Solutions Grant (ESG) program, and the Housing Opportunities for Persons with AIDS (HOPWA) program. The City of Watsonville (the City) manages funds made available under the CDBG program.

An important tool utilized by HUD to review performance is the Consolidated Annual Performance and Evaluation Report (CAPER). Each jurisdiction that has an approved consolidated plan must submit a CAPER to HUD within 90 days after the close of its program year to report on the progress it has made in carrying out its strategic plan and its action plan. Another important tool is the Integrated Disbursement and Information System (IDIS), which is the management information system used to drawdown funds and to record the results of funded activities. Finally, HUD considers other available information, such as the results of on-site monitoring visits.

The City's 2010 CAPER and IDIS indicate that CDBG funds were used during the 2010 program year for activities that were consistent with the priorities and specific objectives identified in the City's strategic plan and its action plan.

For instance, CDBG funds were used for (1) a housing rehabilitation program, which offers low interest loans to eligible homeowners for the rehabilitation of their homes as well as to rental property owners that agree to rent the rehabilitated units to lower income households at affordable rents, (2) the operation of a youth center that provides a variety of services and activities for underserved youth, (3) the provision of technical assistance to local small businesses and micro-enterprises, (4) a code enforcement activity, (5) a façade improvement program that provides partially forgivable loans to eligible property owners, and (6) a downtown

streetscape improvements activity to replace and upgrade downtown street lights, electrical components, street furniture, and hardscapes. CDBG funds were also used for the repayment of a Section 108 loan and for program administration.

Based upon our review of the City's 2010 CAPER, IDIS, and other available information, we have determined that the City has the continuing capacity to manage its CDBG funds and is working towards the statutory goals of developing viable communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low and moderate income persons.

We look forward to continuing our partnership with the City of Watsonville. If you have any questions regarding this assessment, please do not hesitate to contact me, at (415) 489-6572, or your CPD Representative, Jason Whitehead, at (415) 489-6584.

Sincerely,



Maria F. Cremer  
Acting Director, Community Planning  
and Development Division

Cc: Mr. Carlos Palacios, City Manager  
Ms. Jan Davison, Director, Redevelopment and Housing Department