



# *City of Watsonville*

## **Community Development Block Grant**

# **2009 CAPER**

## **Consolidated Annual Performance and Evaluation Report**

### **Program Year 2009 – 2010**

**(July 1, 2009 – June 30, 2010)**



## **Redevelopment and Housing Department**

**September 2010**

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**City of Watsonville  
Community Development Block Grant  
Consolidated Annual Performance and Evaluation Report  
Program Year 2009**

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**City of Watsonville  
Community Development Block Grant  
Consolidated Annual Performance and Evaluation Report  
Program Year 2009**

## **Description of CAPER Report**

The City of Watsonville 2009 Consolidated Annual Performance and Evaluation Report (CAPER) describes the low-income housing and community development activities conducted by the City during fiscal year 2009-2010 (July 1, 2009 to June 30, 2010), 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> (2005-2010) 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 2005-2010 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 (2005-2010) 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 2009/2010, 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 three 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 Loan Funds
CDBG	4	\$118,089
HOME	0	\$0
Joe Serna, Jr. Farmworker Housing	0	\$0
CalHome	4	\$121,124
Redevelopment 20%	0	\$0
<b>Total</b>	<b>8</b>	<b>\$239,213</b>

The total number of units is 5, 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 2009**

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	3	\$115,800
HOME	2	\$76,980
Redevelopment Agency Housing Fund	4	\$99,054
<b>Total</b>	<b>9</b>	<b>\$291,834</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 and the Parks and Community Services Department jointly operate a sports facility at 130 Rodriguez Street, staffed by five part-time recreation leaders, one part-time police officer and one full-time director. The primary objective of the program is to build trust between youth and the Police Department, to build the self-esteem of the young people participating in the sports programs, and to provide healthy athletic 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 program year. Construction of a 461-space parking structure adjacent to the Civic Plaza, built to provide parking to serve the new tenants, was completed during the prior program year. A grand opening was held in May 2008 and the new facility is currently almost completely occupied.

#### B. Enterprise Zone Vouchers

The City processed 1,012 Enterprise Zone employment tax credit voucher requests during the program 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. Several new projects have been pre-approved and are currently in the planning phase.
- 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 \$293,851 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 “Analysis of Impediments to Fair Housing,” prepared by the City in 2002 in accordance with HUD requirements, identified the limited availability of affordable housing in Watsonville as the main impediment to fair housing. Local housing costs increased rapidly during the years 1999 to 2005 but have since stabilized somewhat. 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. These services and all City outreach materials and notices are provided in English and Spanish, because approximately 75% of the local population is Latino, and a large segment of the local population is 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 2005-2010 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 2009
<ul style="list-style-type: none"> <li>Rehabilitate 8 rental housing units</li> </ul>	<ul style="list-style-type: none"> <li>Rehabilitated 1 rental units in FY 2009/2010</li> </ul>
<ul style="list-style-type: none"> <li>Construct 50 new rental housing units</li> </ul>	<ul style="list-style-type: none"> <li>Construction permits issued for 3 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 2009
<ul style="list-style-type: none"> <li>Help 27 low- and moderate-income households to buy their first home</li> </ul>	<ul style="list-style-type: none"> <li>Assisted 12 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 2009
<ul style="list-style-type: none"> <li>Help 16 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 households with rehabilitation financing to maintain and/or rehabilitate their homes in a decent and safe condition. Three new owner-occupied single family dwellings and one single family rental rehabs were approved during the program year.</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 2009
<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. No rehabilitation projects were completed. (also included in rehab data)</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 2009
<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 2009 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 152 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 2009, 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 2009 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 2000-05 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 2009 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 2009-10 was \$856,838.00. In addition, \$979,647.66 in unexpended funds remaining from 2008-09, and \$166,856.57 in actual program income received during 2009-10, was also available, for a total of \$2,003,342.23 available for CDBG-eligible activities during program year 2009. A total of \$947,120.91 was expended on program year activities.

##### *HOME Investment Partnership Program*

The City received grants of HOME funds from the State of California Housing and Community Development Department in 2003, and 2004. During the program year, the City completely expended both the \$600,000 2003 grant and the \$800,000 2004 grant on First Time Home Buyer and rehabilitation loans. In addition, the City received \$800,000 of HOME funds in 2008 to be 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.

*Rural Enterprise Community Program*

The City was designated as a Rural Enterprise Community in 1995. The year 2007 marked the end of program activities proposed under the EC Grant. This designation helped the City compete for other funds and secure regulatory relief. The original \$2.9 million received from the U. S. Department of Agriculture was transformed to over \$57 million of leveraged resources over the course of the years.

*Rural Business Enterprise Grant (RBEG - USDA)*

The City received approximately \$200,000 in grants awarded by the U.S. Department of Agriculture RBEG program during the 2004 program year. These economic development grant funds were utilized during the 2007 program year and will be completely expended during the 2008 program year for completion of the Second Street Offsite Improvement project and Westside Open Culvert Improvement project.

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. \$39,000 of the grant has been used for 1 rehabilitation project 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, \$166,400 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.

*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 11, 2010, announcing the CAPER’s availability for public review through September 27, 2010, and soliciting public comment before 5 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 has led to 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 2009 Program Year, the City allocated CDBG funds to address each of the Priority Needs identified in the 2005-2010 Consolidated Plan. Specific activities conducted with CDBG funds are listed below by the Priority Need addressed.

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

##### **Housing Rehabilitation Program - IDIS Activity #155** **\$142,653.56**

The CDBG-funded Housing Rehabilitation Program undertook one extremely-low income owner-occupied rehabilitation projects and one extremely-low income rental rehabilitation project (both extremely low-income) this year. The remainder of the 2009 allocation was retained for program year 2010. A total of \$142,653.56 was expended during 2009.

*Performance Objective:* Decent Housing

*Performance Outcome:* Availability/Accessibility

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

##### **Youth Center Staff - IDIS Activity #152** **\$150,000.00**

A total of \$150,000 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 175 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 #157** **\$49,999.00**

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 \$49,999 was expended during the program year to provide technical assistance to 113 local small businesses and micro-enterprises, including 12 tenants of the Plaza Vigil Business Incubator. Ninety-five percent of the businesses assisted were minority-owned, and 78% were women-owned. The programs assisted in the creation or retention of 51 full-time jobs and 25 part-time jobs.

*Performance Objective:* Economic Opportunity

*Performance Outcome:* Availability/Accessibility

**Downtown Police Foot Patrol - IDIS Activity #153** **\$20,000.00**

Funding for foot or bicycle patrols of downtown area. A total of \$20,000.00 was expended to complete this crime prevention / awareness activity during the program year.

*Performance Objective:* Suitable Living Environment

*Performance Outcome:* Availability/Accessibility

**Code Enforcement - IDIS Activity #156** **\$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 #158** **\$44,154.58**

Matching grants for façade and/or sign improvements, and loans for more substantial rehabilitation of commercial properties in the downtown. A total of \$44,154.58 was expended on this activity during the program year. The remainder of the 2009 allocation was retained for program year 2010.

*Performance Objective:* Economic Opportunity

*Performance Outcome:* Sustainability

**Business Technical Assistance – IDIS Activity #146** **\$0**

This program was cancelled during the 2009 program year. A total of \$0 was expended during the program year. This allocation will be re-programmed for the 2010 program year.

*Performance Objective:* Economic Opportunity

*Performance Outcome:* Availability/Accessibility

***Public Facilities*****Downtown Streetscape Improvements Ph. II - IDIS Activity #154** **\$29,503.78**

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 \$29,503.78 was spent during the program year. The remainder of this allocation will be carried over to the 2010 program year.

*Performance Objective:* Suitable Living Environment

*Performance Outcome:* Availability/Accessibility

**Callaghan Park Renovation Design - IDIS Activity #131** **\$1,861.50**

Development of a construction master plan for the renovation of this 2.7 acre park that needs to meet ADA requirements for accessible playgrounds and apparatus. A total of \$1,861.50 was expended to complete this activity during the program year.

*Performance Objective:* Suitable Living Environment

*Performance Outcome:* Availability/Accessibility

**Downtown Streetscape Improvements Ph. I - Design - IDIS Activity #141** **\$2,831.10**

Develop architectural drawings and engineering for way-finding signage and gateway improvements in and around downtown. A total of \$2,831.10 was expended to complete this activity during the program year.

*Performance Objective:* Suitable Living Environment

*Performance Outcome:* Availability/Accessibility

***Planning and Administration***

**Planning and Administration - IDIS Activity #160** **\$142,283.59**

The City expended a total of \$142,283.59 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 #159** **\$213,833.80**

The City expended a total of \$223,301.80 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

## 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 13.9% of the entitlement amount plus the current year's Program Income.

Expenditures during the program year for Public Services comprised 17% of the City's Entitlement amount plus the prior year's Program Income, slightly over 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, 2009. 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 2009
- PR23 - Summary of Accomplishments
- PR26 - CDBG Financial Summary

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



*City of  
Watsonville*

**Legend**

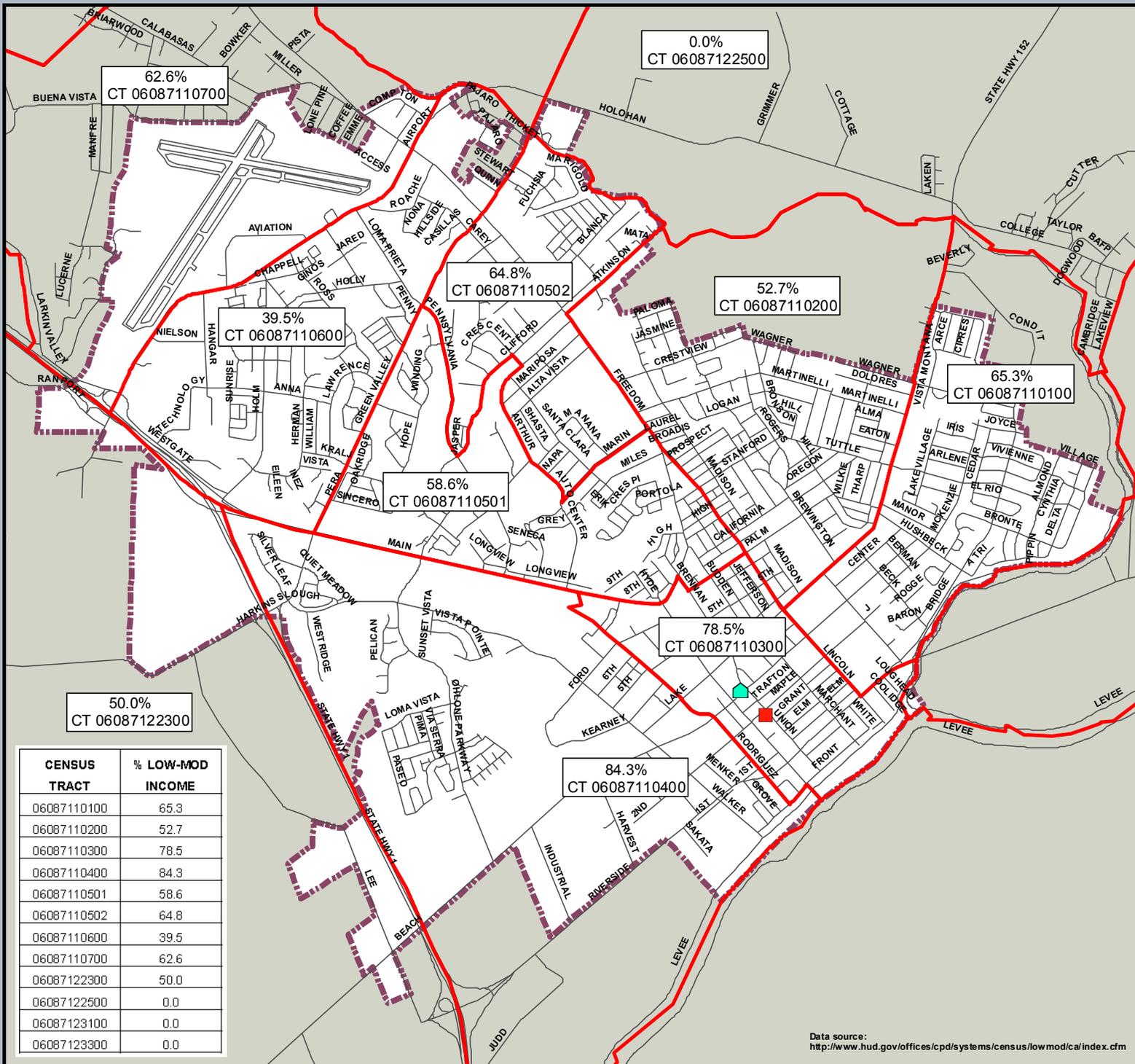
-  El Pajaro Community Dev. Corp.
-  Youth Center
-  Census Tracts
-  Watsonville City Limit



1 inch equals 0.49 miles



Prepared by Watsonville GIS Center 5/11/2006 (CDB 0360).  
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://www.hud.gov/offices/cpd/systems/census/lowmod/ca/index.cfm>

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



City of  
Watsonville

## Legend

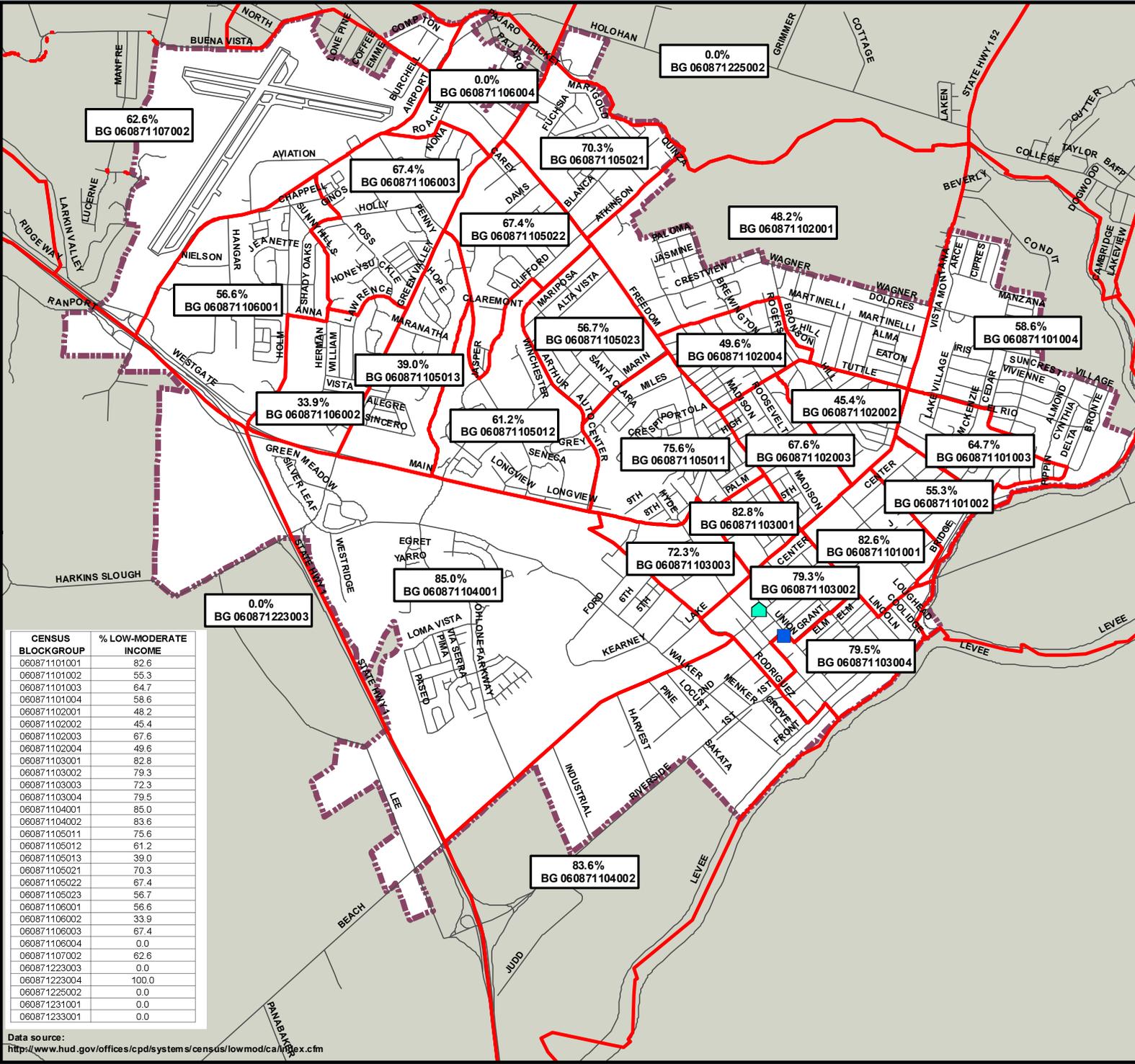
- Youth Center
- El Pajaro Community Dev. Corp.
- Census Block Group
- Watsonville City Limit



1 inch equals 0.49 miles



Prepared by Watsonville GIS Center 4-29-05 (CDBG051).  
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	82.6
060871101002	55.3
060871101003	64.7
060871101004	58.6
060871102001	48.2
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/censuses/lowmodcan/mx.cfm>

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



City of  
Watsonville

## Legend

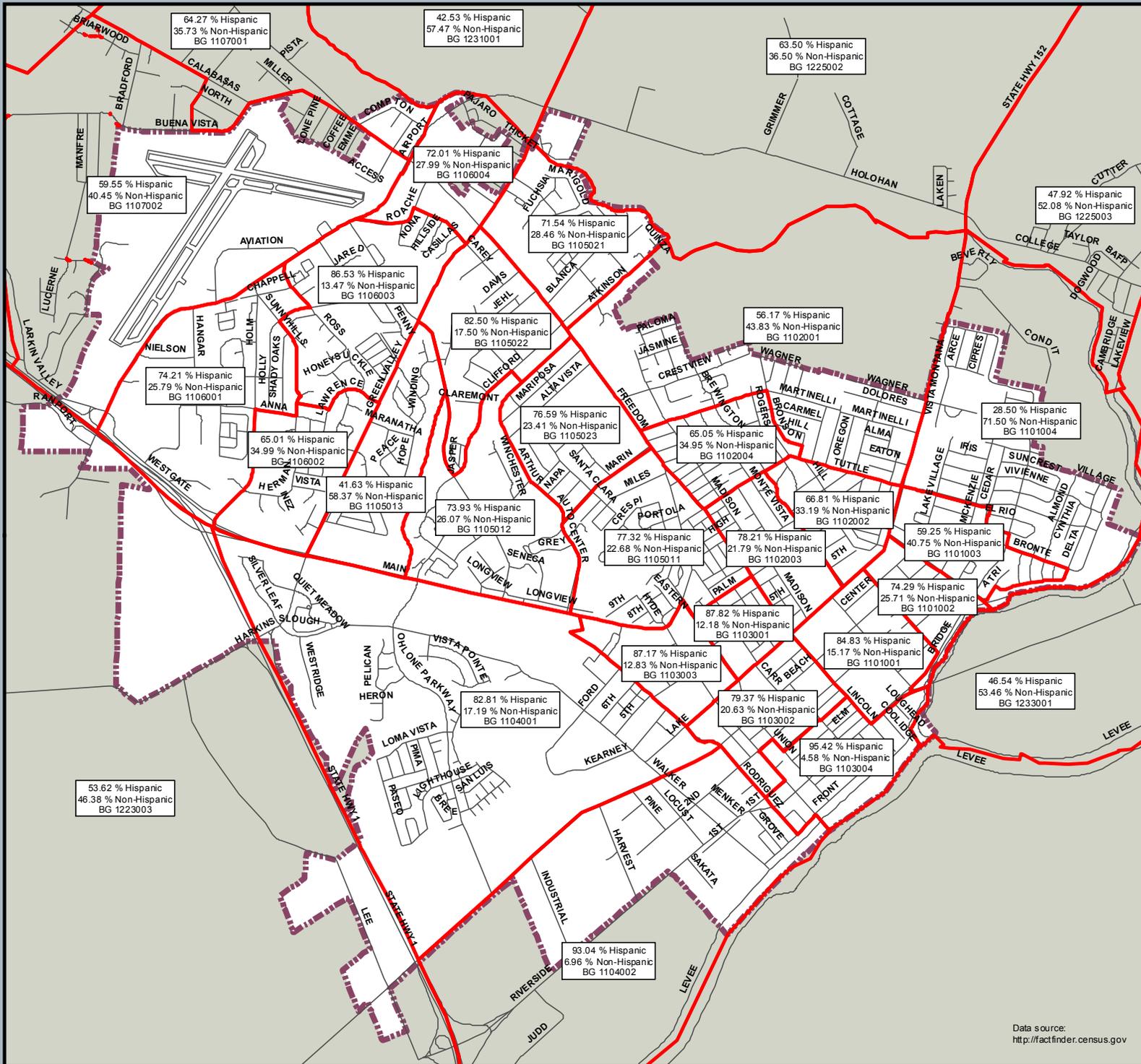
- Census Block Group
- Watsonville City Limit



1 inch equals 0.47 miles



Prepared by Watsonville GIS Center 5-504 (CDBG0401).  
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>

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT  
 PR01 - HUD Grants and Program Income

Program	Fund Type	Grant Number	Authorized Amount	Suballocated Amount	Amount Committed to Activities	Net Drawn Amount	Available to Commit	Available to Draw		
CDBG	EN	B94MC060052	\$696,000.00	\$0.00	\$696,000.00	\$696,000.00	\$0.00	\$0.00		
		B95MC060052	\$816,000.00	\$0.00	\$816,000.00	\$816,000.00	\$0.00	\$0.00		
		B96MC060052	\$796,000.00	\$0.00	\$796,000.00	\$796,000.00	\$0.00	\$0.00		
		B97MC060052	\$782,000.00	\$0.00	\$782,000.00	\$782,000.00	\$0.00	\$0.00		
		B98MC060052	\$758,000.00	\$0.00	\$758,000.00	\$758,000.00	\$0.00	\$0.00		
		B99MC060052	\$762,000.00	\$0.00	\$762,000.00	\$762,000.00	\$0.00	\$0.00		
		B00MC060052	\$761,000.00	\$0.00	\$761,000.00	\$761,000.00	\$0.00	\$0.00		
		B01MC060052	\$808,000.00	\$0.00	\$808,000.00	\$808,000.00	\$0.00	\$0.00		
		B02MC060052	\$811,000.00	\$0.00	\$811,000.00	\$811,000.00	\$0.00	\$0.00		
		B03MC060052	\$1,017,000.00	\$0.00	\$1,017,000.00	\$1,017,000.00	\$0.00	\$0.00		
		B04MC060052	\$1,031,000.00	\$0.00	\$1,031,000.00	\$1,031,000.00	\$0.00	\$0.00		
		B05MC060052	\$973,650.00	\$0.00	\$973,650.00	\$973,650.00	\$0.00	\$0.00		
		B06MC060052	\$876,890.00	\$0.00	\$876,890.00	\$876,890.00	\$0.00	\$0.00		
		B07MC060052	\$875,699.00	\$0.00	\$875,699.00	\$875,699.00	\$0.00	\$0.00		
		B08MC060052	\$845,274.00	\$0.00	\$645,890.68	\$645,890.68	\$199,383.32	\$199,383.32		
		B09MC060052	\$856,838.00	\$0.00	\$0.00	\$0.00	\$856,838.00	\$856,838.00		
		B10MC060052	\$927,713.00	\$0.00	\$0.00	\$0.00	\$927,713.00	\$927,713.00		
					<b>\$14,394,064.00</b>	<b>\$0.00</b>	<b>\$12,410,129.68</b>	<b>\$12,410,129.68</b>	<b>\$1,983,934.32</b>	<b>\$1,983,934.32</b>
			PI	B97MC060052	\$663,072.97	\$0.00	\$663,072.97	\$663,072.97	\$0.00	\$0.00
				B98MC060052	\$614,145.33	\$0.00	\$614,145.33	\$614,145.33	\$0.00	\$0.00
B99MC060052	\$410,006.68			\$0.00	\$410,006.68	\$410,006.68	\$0.00	\$0.00		
B00MC060052	\$700,458.69			\$0.00	\$700,458.69	\$700,458.69	\$0.00	\$0.00		
B01MC060052	\$735,829.23			\$0.00	\$735,829.23	\$735,829.23	\$0.00	\$0.00		
B02MC060052	\$569,425.60			\$0.00	\$569,425.60	\$569,425.60	\$0.00	\$0.00		
B03MC060052	\$581,558.06			\$0.00	\$581,558.06	\$581,558.06	\$0.00	\$0.00		
B04MC060052	\$225,793.70			\$0.00	\$225,793.70	\$225,793.70	\$0.00	\$0.00		
B05MC060052	\$304,277.13			\$0.00	\$304,277.13	\$304,277.13	\$0.00	\$0.00		
B06MC060052	\$378,051.53			\$0.00	\$378,051.53	\$378,051.53	\$0.00	\$0.00		
B07MC060052	\$400,883.86			\$0.00	\$400,883.86	\$400,883.86	\$0.00	\$0.00		
B08MC060052	\$142,833.78	\$0.00	\$142,833.78	\$142,833.78	\$0.00	\$0.00				
B09MC060052	\$166,856.57	\$0.00	\$166,856.57	\$166,856.57	\$0.00	\$0.00				
			<b>\$5,893,193.13</b>	<b>\$0.00</b>	<b>\$5,893,193.13</b>	<b>\$5,893,193.13</b>	<b>\$0.00</b>	<b>\$0.00</b>		
CDBG-R	EN	B09MY060052	\$229,600.00	\$0.00	\$229,600.00	\$229,600.00	\$0.00	\$0.00		
			<b>\$229,600.00</b>	<b>\$0.00</b>	<b>\$229,600.00</b>	<b>\$229,600.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		
<b>GRANTEE TOTALS</b>			<b>\$20,516,857.13</b>	<b>\$0.00</b>	<b>\$18,532,922.81</b>	<b>\$18,532,922.81</b>	<b>\$1,983,934.32</b>	<b>\$1,983,934.32</b>		

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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 2009  
 WATSONVILLE

Date: 14-Oct-2010  
 Time: 14:50  
 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:** 2003  
**Project:** 0006 - ADA IMPROVEMENTS PUBLIC FACILITIES AND STREETS  
**IDIS Activity:** 103 - ADA IMPROVEMENTS PUB FACILITIES/STREETS

**Status:** Completed  
**Location:** CITY-WIDE WATSONVILLE, CA 95076

**Objective:** Create suitable living environments  
**Outcome:** Availability/accessibility  
**Matrix Code:** Public Facilities and Improvement  
**National Objective:** LMC

**Initial Funding Date:** 04/30/2004

**Financing**

Funded Amount: \$62,458.28  
 Drawn Thru Program Year: \$62,458.28  
 Drawn In Program Year: \$0.00

**Description:**

PLANNING AND IMPLEMENTATION OF THE REMOVAL OF ARCHITECTURAL BARRIERS TO ACCESSIBILITY FOR THE MOBILITY IMPAIRED IN VARIOUS PUBLIC FACILITIES AND STREETS THROUGHOUT THE CITY

**Proposed Accomplishments**

People (General) : 7,320

**Actual Accomplishments**

*Number assisted:*

	Owner		Renter		Total		Person	
	Total	Hispanic	Total	Hispanic	Total	Hispanic	Total	Hispanic
White:	0	0	0	0	0	0	4,037	1,824
Black/African American:	0	0	0	0	0	0	0	0
Asian:	0	0	0	0	0	0	403	0
American Indian/Alaskan Native:	0	0	0	0	0	0	165	65
Native Hawaiian/Other Pacific Islander:	0	0	0	0	0	0	0	0
American Indian/Alaskan Native & White:	0	0	0	0	0	0	113	22
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	3,554	3,554
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>8,272</b>	<b>5,465</b>
Female-headed Households:	0		0		0			

*Income Catearv:*

	Owner	Renter	Total	Person
Extremely Low	0	0	0	0
Low Mod	0	0	0	8,272
Moderate	0	0	0	0
Non Low Moderate	0	0	0	0
Total	0	0	0	8,272
Percent Low/Mod				100.0%

**Annual Accomplishments**

**Accomplishment Narrative**

Year	# Benefiting	Accomplishment Narrative
2008		ACTIVITIES ARE UNDERWAY AND EXPECTED TO BE COMPLETED DURING 2008 PROGRAM YEAR; BALANCE OF FUNDS TO BE
2009	8,272	No activity during the 2009 program year. This project was essentially completed during the 2008 program year.
2003		REMOVAL OF ARCHITECTURAL BARRIERS UNDERWAY. BALANCE OF ALLOCATION WILLBE CARRIED OVER TO 2004.
2004		REMOVAL OF ARCHITECTURAL BARRIERS UNDERWAY. BALANCE OF ALLOCATION WILLBE CARRIED OVER TO 2005 PROGRAM YEAR
2006		THIS PROJECT EXPENDED 4,676.40 DURING THE 2006 PROGRAM YEAR. THE REMAINDER OF THE ALLOCATION WILL BE CARRIED OVER TO
2007		TWO ACTIVITIES ARE UNDERWAY AND EXPECTED TO BE COMPLETED DURING 2008 PROGRAM YEAR; BALANCE OF FUNDS TO BE

**PGM Year:** 2007  
**Project:** 0004 - CALLAGHAN PARK DESIGN AND ADA COMPLIANCE  
**IDIS Activity:** 131 - CALLAGHAN PARK DESIGN AND ADA COMPLIANCE

Status: Completed Objective: Create suitable living environments  
 Location: 225 SUDDEN STREET WATSONVILLE, CA 95076 Outcome: Availability/accessibility  
 Matrix Code: Public Facilities and Improvement National Objective: LMA

**Initial Funding Date:** 01/30/2009  
**Financing**  
 Funded Amount: \$50,000.00  
 Drawn Thru Program Year: \$50,000.00  
 Drawn In Program Year: \$1,861.50  
**Description:**  
 DEVELOPMENT OF A CONSTRUCTION MASTER PLAN FOR THE RENOVATION OF THIS 2.7 ACRE PARK TO MEET ADA REQUIREMENTS

**Proposed Accomplishments**  
 Public Facilities : 1  
 Total Population in Service Area: 6,993  
 Census Tract Percent Low / Mod: 62.70

Annual Accomplishments	Accomplishment Narrative
Year # Benefiting	
2008	Completion of a construction Master Plan for the renovation of this 2.7 acre park that needs to meet ADA requirements for accesible playgrounds and
2009	Construction Master Plan completed.
2007	

**PGM Year:** 2007  
**Project:** 0005 - RAMSAY PARK SOCCER FIELD DRAINAGE IMPROVEMENTS  
**IDIS Activity:** 132 - RAMSAY PARK SOCCER FIELD DRAINAGE IMPROV

Status: Completed Objective: Create suitable living environments  
 Location: 1301 MAIN STREET WATSONVILLE, CA 95076 Outcome: Availability/accessibility  
 Matrix Code: Public Facilities and Improvement National Objective: LMA

**Initial Funding Date:** 01/30/2009  
**Financing**  
 Funded Amount: \$18,157.92  
 Drawn Thru Program Year: \$18,157.92  
 Drawn In Program Year: \$0.00  
**Description:**  
 DESIGN AND CONSTRUCTION IMPROVED DRAINAGE SYSTEM FOR TWO FIELDS

**Proposed Accomplishments**  
 Public Facilities : 1  
 Total Population in Service Area: 5,224  
 Census Tract Percent Low / Mod: 84.50

Annual Accomplishments	Accomplishment Narrative
Year # Benefiting	
2008	Design and construction of improved drainage system for two fields. Project nearly complete and will be carried over for completion in 2009 program year.
2009	No additional acitivity in this program year. Project activity was completed in 2008 program year.
2007	

**PGM Year:** 2008  
**Project:** 0003 - DOWNTOWN STREETSCAPE IMPROVEMENTS-PH I: DESIGN  
**IDIS Activity:** 141 - DOWNTOWN STREETSCAPE IMP-PHASE I: DESIGN

Status: Completed Objective: Create suitable living environments  
 Location: DOWNTOWN WATSONVILLE, CA 95076 Outcome: Availability/accessibility  
 Matrix Code: Street Improvements (03K) National Objective: LMA

**Initial Funding Date:** 01/30/2009

**Financing**

Funded Amount: \$34,848.19  
 Drawn Thru Program Year: \$34,848.19  
 Drawn In Program Year: \$2,831.10

**Description:**

DEVELOP ARCHITECTURAL DRAWINGS AND ENGINEERING FOR WAY-FINDING SIGNAGE AND GATEWAYS IMPROVEMENTS IN AND AROUND DOWNTOWN

**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	# Benefiting	Accomplishment Narrative
2009		Downtown Streetscape Improvements - phase I Design activity is completed.
2008		Architectural drawings and engineering for way-finding signage and gateway improvements in and around downtown were completed during the program

**PGM Year:** 2008  
**Project:** 0004 - OHLONE PARKWAY OFF-SITE IMPROVEMENTS  
**IDIS Activity:** 142 - OHLONE PARKWAY OFF-SITE IMPROVEMENTS

Status: Completed Objective: Create suitable living environments  
 Location: OHLONE PARKWAY WATSONVILLE, CA 95076 Outcome: Availability/accessibility  
 Matrix Code: Street Improvements (03K) National Objective: LMA

**Initial Funding Date:** 09/02/2009

**Financing**

Funded Amount: \$50,000.00  
 Drawn Thru Program Year: \$50,000.00  
 Drawn In Program Year: \$0.00

**Description:**

IMPROVEMENTS IN THE PUBLIC RIGHT OF WAY SECOND HARVEST FOOD BANK

**Proposed Accomplishments**

Total Population in Service Area: 3,537  
 Census Tract Percent Low / Mod: 85.00

**Annual Accomplishments**

**Accomplishment Narrative**

Year	# Benefiting	Accomplishment Narrative
2008		Improvements in the public right of way, including curb, gutter, sidewalks, etc., pedestrian improvements and ADA compliant ramps and the removal of

**PGM Year:** 2009  
**Project:** 0002 - Youth Center Staff  
**IDIS Activity:** 152 - 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: \$150,000.00

**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 Catearv:*

	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 # Benefiting

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

**PGM Year:** 2009  
**Project:** 0003 - Downtown Police Department Foot Patrol  
**IDIS Activity:** 153 - Downtown Police Department Foot Patrol

Status: Completed Objective: Create suitable living environments  
 Location: Downtown Watsonville, CA 95076 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: \$20,000.00

**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 # Benefiting

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 Objective: Create suitable living environments  
 Location: Downtown Watsonville, CA 95076 Outcome: Availability/accessibility  
 Matrix Code: Street Improvements (03K) National Objective: LMA

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

**Financing**

Funded Amount: \$29,503.78  
 Drawn Thru Program Year: \$29,503.78  
 Drawn In Program Year: \$29,503.78

**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 # Benefiting

2009 Replacement and upgrade of downtown street lights and electrical components, including street furniture and hardscapes, to improve pedestrian safety,

**PGM Year:** 2009  
**Project:** 0005 - 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  
**Financing**  
 Funded Amount: \$142,653.56  
 Drawn Thru Program Year: \$142,653.56  
 Drawn In Program Year: \$142,653.56

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

**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 Catearv:

	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:** 0007 - 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: \$49,999.00

**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 Catearv:

	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 # Benefiting

2009 113 El Pajaro Community Development Corporation (EPCDC) provided bilingual microenterprise and business technical assistance to 113 local business

**PGM Year:** 2009  
**Project:** 0008 - Downtown Commercial Rehabilitation Including Facade and Sign  
**IDIS Activity:** 158 - Downtown Commercial Rehabilitation Including Facade and Sign

Status: Open 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: \$44,154.58

**Proposed Accomplishments**

Businesses : 5

**Annual Accomplishments**

**Accomplishment Narrative**

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: \$213,833.80

**Proposed Accomplishments**

**Annual Accomplishments**

**Accomplishment Narrative**

Year # Benefiting

**PGM Year:** 2009  
**Project:** 0010 - 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: \$142,283.59

**Proposed Accomplishments**

**Annual Accomplishments**

**Accomplishment Narrative**

Year      # Benefiting

**Total Funded Amount:                    \$2,645,607.47**  
**Total Drawn Thru Program Year:       \$2,645,607.47**  
**Total Drawn In Program Year:         \$947,120.91**

PR03 - WATSONVILLE

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT  
 PR23 (1 of 7) - Count of CDBG Activities with Disbursements by Activity Group &  
 Matrix Code

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)	1	\$44,154.58	0	\$0.00	1	\$44,154.58
	Micro-Enterprise Assistance (18C)	1	\$49,999.00	0	\$0.00	1	\$49,999.00
		<b>2</b>	<b>\$94,153.58</b>	<b>0</b>	<b>\$0.00</b>	<b>2</b>	<b>\$94,153.58</b>
Housing	Rehab; Single-Unit Residential (14A)	1	\$142,653.56	0	\$0.00	1	\$142,653.56
	Code Enforcement (15)	1	\$150,000.00	0	\$0.00	1	\$150,000.00
		<b>2</b>	<b>\$292,653.56</b>	<b>0</b>	<b>\$0.00</b>	<b>2</b>	<b>\$292,653.56</b>
Public Facilities and Improvements	Public Facilities and Improvement (General) (03)	3	\$1,861.50	0	\$0.00	3	\$1,861.50
	Street Improvements (03K)	2	\$32,334.88	1	\$0.00	3	\$32,334.88
		<b>5</b>	<b>\$34,196.38</b>	<b>1</b>	<b>\$0.00</b>	<b>6</b>	<b>\$34,196.38</b>
Public Services	Youth Services (05D)	1	\$150,000.00	0	\$0.00	1	\$150,000.00
	Crime Awareness (05I)	1	\$20,000.00	0	\$0.00	1	\$20,000.00
		<b>2</b>	<b>\$170,000.00</b>	<b>0</b>	<b>\$0.00</b>	<b>2</b>	<b>\$170,000.00</b>
General Administration and Planning	Planning (20)	1	\$0.00	0	\$0.00	1	\$0.00
	General Program Administration (21A)	0	\$0.00	1	\$142,283.59	1	\$142,283.59
		<b>1</b>	<b>\$0.00</b>	<b>1</b>	<b>\$142,283.59</b>	<b>2</b>	<b>\$142,283.59</b>
Repayment of Section 108 Loans	Planned Repayment of Section 108 Loan Principal (19F)	0	\$0.00	1	\$213,833.80	1	\$213,833.80
		<b>0</b>	<b>\$0.00</b>	<b>1</b>	<b>\$213,833.80</b>	<b>1</b>	<b>\$213,833.80</b>
		<b>12</b>	<b>\$591,003.52</b>	<b>3</b>	<b>\$356,117.39</b>	<b>15</b>	<b>\$947,120.91</b>

Grantee WATSONVILLE , CA  
Program Year 2009

**PART I: SUMMARY OF CDBG RESOURCES**

01 UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR	979,647.66	
02 ENTITLEMENT GRANT	856,838.00	
03 SURPLUS URBAN RENEWAL	0.00	
04 SECTION 108 GUARANTEED LOAN FUNDS	0.00	
05 CURRENT YEAR PROGRAM INCOME	165,425.52	\$166,856.57 Actual current year program income
06 RETURNS	0.00	- confirmed on PR01
07 ADJUSTMENT TO COMPUTE TOTAL AVAILABLE	1,431.05	=\$166,856.57-\$165,425.52
08 TOTAL AVAILABLE (SUM, LINES 01-07)	2,003,342.23	

**PART II: SUMMARY OF CDBG EXPENDITURES**

09 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION	591,003.52
10 ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT	0.00
11 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)	591,003.52
12 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	142,283.59
13 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS	213,833.80
14 ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES	0.00
15 TOTAL EXPENDITURES (SUM, LINES 11-14)	947,120.91
16 UNEXPENDED BALANCE (LINE 08 - LINE 15)	1,056,221.32

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

17 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS	0.00
18 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING	0.00
19 DISBURSED FOR OTHER LOW/MOD ACTIVITIES	546,848.94
20 ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT	0.00
21 TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)	546,848.94
22 PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)	92.53%

**LOW/MOD BENEFIT FOR MULTI-YEAR CERTIFICATIONS**

23 PROGRAM YEARS(PY) COVERED IN CERTIFICATION	PY: PY: PY:
24 CUMULATIVE NET EXPENDITURES SUBJECT TO LOW/MOD BENEFIT CALCULATION	0.00
25 CUMULATIVE EXPENDITURES BENEFITING LOW/MOD PERSONS	0.00
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	170,000.00	
28 PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00	
29 PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00	
30 ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS	0.00	
31 TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)	170,000.00	
32 ENTITLEMENT GRANT	856,838.00	
33 PRIOR YEAR PROGRAM INCOME	146,829.98	*\$142,833.78 prior year's actual program income
34 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP	(3,996.20)	- confirmed prior year's PR 01
35 TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)	999,671.78	
36 PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)	17.01%	

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

37 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	142,283.59	
38 PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00	
39 PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00	
40 ADJUSTMENT TO COMPUTE TOTAL PA OBLIGATIONS	0.00	
41 TOTAL PA OBLIGATIONS (LINE 37 + LINE 38 - LINE 39 +LINE 40)	142,283.59	
42 ENTITLEMENT GRANT	856,838.00	
43 CURRENT YEAR PROGRAM INCOME	165,425.52	\$166,856.57 Actual current year program income
44 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP	1,431.05	=\$166,856.57-\$165,425.52
45 TOTAL SUBJECT TO PA CAP (SUM, LINES 42-44)	1,023,694.57	
46 PERCENT FUNDS OBLIGATED FOR PA ACTIVITIES (LINE 41/LINE 45)	13.90%	

NOTE: PR 01 Report was used to verify current and prior years' program income amounts. Unable to determine why PR 26 reflects different amount.



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

NOV 16 2010

Carlos Palacios  
City Manager  
City of Watsonville  
P.O. Box 50000  
Watsonville, CA 95077-50000

Dear Mr. Palacios:

**SUBJECT:** 2009 Consolidated Annual Performance and Evaluation Report (CAPER)

The Community Planning and Development (CPD) Division of the Department of Housing and Urban Development (HUD) is completing its review of the City of Watsonville's CAPER. Based on this review our office determined that there is one finding. A finding is a statutory or regulatory violation requiring a corrective action. The HCD Program Manager is cognizant of the finding and has actively begun the process for corrective action.

**Finding:** Under the category of Public Services found at 24 CFR 570.201(e) of the CDBG regulations, Entitlement funds may be used to provide public services provided that the following criteria are met:

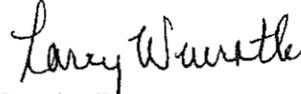
1. The public service must be either a new service; or a quantifiable increase in the level of a service above that which has been provided by or on behalf of the unit of general local government through funds raised by such unit, or received by such unit from the State in which it is located during the 12 months prior to the submission of the grantee's Action Plan.
2. The amount of CDBG funds obligated within a program year to support public service activities under this category may not exceed 15% of the total grant awarded to a grantee for that year plus 15 percent of the total program income it received the preceding program year.

The City of Watsonville's 2010 CAPER indicates that the 15 percent Public Service Cap has been exceeded by \$20,041.

**Corrective Action:** In the next program year, the City should reduce the amount of funds it obligates for Public Services by \$20,041 or repay the subject amount. Redevelopment and Housing staff has submitted a satisfactory response to this finding via email, however, we ask that staff follow-up with a written response that describes the actions that will be taken by the City to address this finding.

If you need assistance or have any questions, please call Gail Goldman at (415) 489-6587. Again, we are confident that your staff can easily resolve this finding.

Sincerely,



*MC* Maria Cremer  
Acting Director, Community Planning  
and Development Division

cc: Marty Ackerman  
Jackie Ventura