

City of Watsonville

2022 DRAFT ACTION PLAN

FY 2022-2023

(July 1, 2022-June 30, 2023)



*Community Development Department
250 Main Street
Watsonville, CA 95076*

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City anticipates continuing to receive CDBG funding throughout the Consolidated Plan period. The City of Watsonville will continue to leverage CDBG funding in its First Time Homebuyer and Housing Rehabilitation Programs, which utilize multiple funding sources including HOME, CDBG, CalHome and Inclusionary Housing in-lieu fees. These Programs provide gap financing to make it more affordable for low income individuals to purchase a home and financial/technical assistance to low income homeowners or homeowners who rent to low income households make repairs to an existing home.

2. Summarize the objectives and outcomes identified in the Plan

The City, as Successor Agency to the former Redevelopment Agency (RDA), no longer holds any public land suitable for affordable housing. The last suitable property has been transferred to Habitat for Humanity and will yield 7-9 affordable units.

3. Evaluation of past performance

The City accomplished several of the goals and continues to make every effort to meet the community needs through many service programs, park and facility improvements, and provide suitable living environments through code enforcement.

The City provided a \$75,000 grant to the El Pájaro Community Development Corporation (EPCDC) for operation of their small business technical assistance programs. EPCDC continues to focus on providing access to Covid-19 recovery funding. EPCDC has provided technical assistance to 61 clients for a total of approximately 183 hours of TA, 3 pre-venture small businesses. They also continue to assist small businesses affected by the COVID-19 pandemic.

The City provided \$200,000 from the first round of CDBG-CV funds and \$75,000 from the third round of CDBG-CV funds for a total of \$275,000 grant to Second Harvest Food Bank for food distribution. The food bank provided 887,000 pounds of food to over 6,000 families with the funds from the first round and due to the late-summer resurgence of the Covid-19 pandemic the third round funds are being used later in the year.

The City is also using over \$320,000 for its emergency housing assistance program to assist renters affected by the COVID-19 economic crisis.

The City's Parks and Community Services Department (PCSD) organizes various special events for youth at various community centers and park facilities. The department has been slowly reinstating their programs with guidelines and safety protocols to prevent the exposure of COVID-19. The PCSD Youth Center continues to provide a safe place for youth to gather and engage in prosocial activities that foster human development and create healthy lifestyles.

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

During the FY 2021-2022, the City was successful in completing the following through its housing programs.

- The City loaned \$2.335 million to MidPen Housing Corporation for the construction of 72 affordable apartment units. Construction is scheduled to start spring of 2022.
- The City Council has also approved a loan of \$1 million to Eden Housing for the construction of 53 affordable housing units. Construction is scheduled to start spring of 2022.

These two affordable projects will provide much needed housing for low- and very low-income farmworkers, homeless persons, families and persons with disabilities. In addition, the City of Watsonville, as the Successor Agency to the former RDA, continues to manage the Affordable Housing Program with limited funding from loan payments.

- Approved the resale of 2 affordable units to new low-moderate income first time homebuyers.

A total of 44 inquiries were received for homebuyer assistance during the Program Year and provided 3 loans. Staff received four rehabilitation program inquiries from interested households, and provided four applications to eligible households but unfortunately none were submitted.

4. Summary of Citizen Participation Process and consultation process

- Summary from citizen participation section of the plan. Date of Public Meeting: January 26, 2022
- Date of Public Meeting: February 24, 2022
- Date of Public Meeting March 17, 2022
- Notice of the Availability of the Plan was published on March 25, 2022, in the Register-Pajaronian, a newspaper of local circulation
- The Plan was published for review on April 11, 2021
- Public Hearing will be held TBD
- Thirty-day citizen comment period opened April 11, 2022, and closed May 13, 2022

5. Summary of public comments

A Public Community meeting was held January 26, 2022-no comments were received from the public.
A Public Community meeting was held February 24, 2022-no comments were received from the public.
A Public Community meeting was held March 17, 2022-no comments were received from the public.
A Public Hearing meeting will be held TBD.

6. Summary of comments or views not accepted and the reasons for not accepting them

No comments were received.

7. Summary

Based on the needs assessment, market analysis, and public outreach, the City identified the following priorities for the Consolidated Plan that would build a healthy community and expand economic opportunities:

- Affordable Housing – Providing safe, decent affordable housing for extremely low to moderate income households, preserving and increasing the affordable housing stock and supporting housing programs for the homeless, including emergency shelter, transitional and permanent housing programs, and homeless prevention
- Economic Development – Provide opportunities to promote economic development and enhance housing stock by expanding economic opportunities through enhancement of downtown living areas and commercial/industrial environments through improvement programs
- Public Services – Enhance public safety and suitable living environments by: 1) Supporting Crime prevention and Code enforcement activities; increased affordable housing opportunities; and 2) By increasing supportive services to people with special needs, homeless persons, and low-income persons and families
- Public Facilities – Enhance the community’s image and living conditions by fostering improved infrastructure and parks conditions to serve low and moderate income needs including continued improvements with public facilities rehabilitation and infrastructure reconstruction

These goals align closely with the City Council’s goals, which include:

- Affordable Housing
- Public services
- Infrastructure & Environment
- Economic Development
- Community engagement & Well-being

- Public Safety
- Efficient & High Performing Government

To address these goals, the City plans to fund downtown improvement plans and infrastructure upgrades, improvements to parks and senior and youth service centers, continuing targeted code enforcement activities in low income areas, provide loans to homeowners needing health and safety repairs, support microenterprise businesses, support services to the homeless, assist with accessibility and new facility projects. Other types of projects may be considered as needed throughout the Consolidated Plan timeframe.PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	WATSONVILLE	Community Development Department

Table 1 – Responsible Agencies

Narrative (optional)

The City of Watsonville (City) is the Lead Agency for the United States Department of Housing and Urban Development (HUD) entitlement programs. The City’s Community Development Department is responsible for administering the funds it receives under the Community Development Block Grant (CDBG).

Consolidated Plan Public Contact Information

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 Community Development Department
 Housing Division
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AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

The City consulted a variety of agencies, including local and regional non-profits, government organizations, faith-based organizations, fair housing advocates and other organizations involved in the development and preservation of affordable housing, creation of job opportunities for low- and moderate-income residents, and/or provision of services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, and homeless persons. The City facilitates feedback through the following methods:

- Stakeholder surveys (web-based, social media, and paper surveys)
- Individual stakeholder consultations
- Community meetings
- Public hearings
- Receipt of written comments. The City prepared a Community Needs Survey, in both English and Spanish. The survey was distributed at key locations throughout the City and was also accessible in both languages and formats on the City's website and on social media (Facebook). The goal of the consultation process was to gather data to help determine the priority needs of City of Watsonville residents and opportunities for coordination to improve availability and accessibility to services.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

The City of Watsonville is an active member of various agencies and organizations that provide services to the community as indicated in the 2020-2024 Consolidated Plan. The City seeks out and has been successful in collaborations with the County of Santa Cruz, private and non-profit housing developers, and local non-profit service providers to preserve and create safe and decent affordable housing through its Affordable Housing and Housing Rehabilitation Programs.

The City is a contributing member of the Monterey Bay Economic Partnership (MBEP) Housing Trust Fund whose initiative is to support an increase in the supply of housing throughout the Monterey, Santa Cruz and San Benito Counties. In addition, City staff is a member, along with other local jurisdictions, State legislative representatives, for and non-profit housing developers and non-profit service providers, of MBEP's Housing Advisory Committee, which meets every other month to discuss and address housing related matters.

The City Council approved the transfer of 36 Airport Road to Habitat for Humanity. The City hopes to complete the process by the end of the year. This transaction will yield 100% permanently affordable housing development consisting of 7-9 single family dwellings for sale to households at or below the low income level.

The City is also collaborating with the County of Santa Cruz, Housing Authority of Santa Cruz County and local non-profit housing developers and providers to identify fair housing issues, contributing factors and provide recommended areas of improvement on a local as well as regional scale.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

During the 2021 program year, the City continued its financial and administrative support for the All In-Toward Home for Every County Resident. The City has continued to be an active member of a group of policymakers, service providers, funders, and advocates working on local strategies to prevent and reduce homelessness.

The South County Homeless Subcommittee met all goals established for the work groups. We have an operational winter shelter site offering 38 beds. In 2018 a Day Center Services Center for homeless individuals that offer showers, laundry, mail services, internet access and access to service providers that offer services to homeless individuals and families was opened. In 2021 a new facility with 92 beds, 50 residential and 42 for homeless & at-risk women and women with children opened its doors. The group has also been working on developing an annual work plan to address homelessness in our community. We have also worked to refresh County Wide Priorities of the All-In Plan in order to prepare relevant goals and an action plan to address current needs. The Subcommittee has identified the following five priority areas: Prevention, Services, Community/Environment, Crisis Response and System Support.

The City in partnership with Santa Cruz County Adult Mental Health have a designated full time Crisis Mental Health Worker riding with Watsonville Police Officers. This Crisis Worker is able to intervene, deescalate and provide referrals to homeless members who are in crisis and in need for mental health services. We are exploring possibilities to expand this service in our community as this program has been very successful in addressing mental health crisis experienced by homeless individuals in our City, lining them with services and resources that can help them.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	California Rural Legal Assistance, Inc.
	Agency/Group/Organization Type	Services-Victims of Domestic Violence Service-Fair Housing Legal Assistance
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Anti-poverty Strategy Homeless Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
2	Agency/Group/Organization	COMMUNITY ACTION BOARD OF SANTA CRUZ.
	Agency/Group/Organization Type	Housing Referral and Counseling Services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Anti-poverty Strategy Homeless Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.

3	Agency/Group/Organization	Community Bridges
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Health Services-Education Referral Services
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
4	Agency/Group/Organization	Encompass Community Services
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
5	Agency/Group/Organization	Families in Transition of Santa Cruz County, Inc.
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Market Analysis Homeless Needs

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
6	Agency/Group/Organization	Housing Authority of Santa Cruz County
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input. In addition, the Agency was contacted via email seeking information about public housing activities in Watsonville, which was provided and included in the Plan.
7	Agency/Group/Organization	Pajaro Valley Unified School District
	Agency/Group/Organization Type	Services-Education
	What section of the Plan was addressed by Consultation?	Homelessness Needs - Unaccompanied youth
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
8	Agency/Group/Organization	Monarch Services (AKA Women's Crises Support-Defensa de Mujeres)
	Agency/Group/Organization Type	Housing Services-Victims of Domestic Violence
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Homeless Needs

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
9	Agency/Group/Organization	Salud Para La Gente
	Agency/Group/Organization Type	Services-Health Health Agency
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy Lead-based Paint Strategy Non-Housing Community Development Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City has partnered with various organizations, through various grants, in an effort to provide needed service to its residents. Many of these services are provided by these other organizations in conjunction with other City services and programs. The Housing Rehabilitation Program is one such example in which the City has involved certain housing and service providers as well as local agencies such as Salud Para La Gente and the County of Santa Cruz Health Department. These agencies have been instrumental in helping to develop strategies such as those the City uses to address lead and asbestos hazards as well as providing direct project assistance in cases where health and environmental hazards have been identified.
10	Agency/Group/Organization	THE SALVATION ARMY, Watsonville
	Agency/Group/Organization Type	Housing Services-Children Services-Elderly Persons Services-homeless Regional organization Emergency Disaster Relief

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homelessness Strategy Non-Homeless Special Needs Homeless Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
11	Agency/Group/Organization	HOMELESS SERVICES CENTER
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
12	Agency/Group/Organization	United Way of Santa Cruz County
	Agency/Group/Organization Type	Regional organization Provides a variety of services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted by phone seeking information about victims of domestic or other violent acts.

13	Agency/Group/Organization	Watsonville Law Center
	Agency/Group/Organization Type	Services-Victims of Domestic Violence Service-Fair Housing Legal Assistance
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Anti-poverty Strategy Homeless Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
14	Agency/Group/Organization	SECOND HARVEST FOOD BANK
	Agency/Group/Organization Type	Food Bank
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.

Identify any Agency Types not consulted and provide rationale for not consulting

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	County of Santa Cruz	The County of Santa Cruz Homeless Action Partnership (HAP) identifies gaps in funding and applies to HUD for CoC funds annually for new and renewing projects based on local needs and priorities and is consistent with the County's 10-Year Strategy to End Homelessness. The City of Watsonville is an active participant in these efforts.
Strategic Plan 2021-2022	City of Watsonville, City Council	The City of Watsonville's Strategic Plan shares the goals of creating affordable housing, protecting public safety, economic development, reducing reliance on reserve funds, improving communications and enhancing community image.
City of Watsonville 2015-2023 Housing Element	City of Watsonville Community Development Department	The Housing Element includes many goals that are consistent with the Strategic Plan including promotion of fair housing for all, provision of special needs housing, preservation of existing housing and production of new affordable housing.
City of Watsonville 2005 General Plan	City of Watsonville	Aligns with the strategic plan goal of improving the quality of life for the City's low- and moderate-income community. The General Plans address a wide range of issues that affect Watsonville, such as development and economic and social concerns that can affect the overall quality of life.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

The City of Watsonville participates in regional planning efforts and several working groups on matters of mutual interest related to CDBG and housing and will continue to work collaboratively with the Housing Authority of Santa Cruz County and the Homeless Action Partnership (HAP).

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

- Date of Public Meeting: January 26, 2022
- Date of Public Meeting: February 24, 2022
- Date of Public Meeting March 17, 2022
- Notice of the Availability of the Plan was published on March 25, 2022, in the Register-Pajaronian, a newspaper of local circulation
- The Plan was published for review on April 11, 2022
- Public Hearing will be held TBD upon allocation award
- Thirty-day citizen comment period opened April 11, 2022, and closed May 13, 2022

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	2020-2024 Consolidated Plan Needs Assessment Survey	Minorities Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	The Needs Assessment Survey was disseminated in paper hard copy and in electronic form on the City's website and on Social Media (Facebook), in English and Spanish, to advise the City on the highest priority housing, community and economic development needs in Watsonville	All comments were accepted and incorporated into the survey results.	N/A All comments were accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Internet Outreach	Non-targeted/broad community	Survey article on City's website and social media outreach (Facebook) inviting residents to participate in Community Needs Assessment survey and notifying residents that feedback is an essential component of the Consolidated Plan process			
3	Public Meeting	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	Remote/Teleconference was held via zoomgov.com, January 26, 2022	None received	N/A	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Public Meeting	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	Remote/Teleconference was held via zoomgov.com, February 24, 2022	None received	n/a	
5	Public Meeting	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	Remote/Teleconference was held via zoomgov.com, March 17, 2022	None received	n/a	
6	Public Hearing	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	Remote/Teleconference was held via zoomgov.com, TBD upon allocation awarded	None Received	N/A	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The City anticipates continuing to receive CDBG funding throughout the Consolidated Plan period. The City of Watsonville will continue to leverage CDBG funding in its First Time Homebuyer and Housing Rehabilitation Programs, which utilize multiple funding sources including HOME, CDBG, CalHome and Inclusionary Housing in-lieu fees. These Programs provide gap financing to make it more affordable for low income individuals to purchase a home and financial/technical assistance to low income homeowners or homeowners who rent to low income

households make repairs to an existing home.

Please note that the amounts are only estimates and will be revised once the allocation is awarded.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	750,000	80,000	100,000	930,000	2,856,620	CDBG funding will be used toward eligible projects and programs, such as housing, public services, public improvements, neighborhood preservation, facility improvements, parks, economic development, Section 108 loan repayment and administration. Anticipated program income has been included in this AAP, as well as a small amount of prior year resources that had not been committed yet.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The CDBG program has no matching requirement. Applicants for funding are asked to provide financial information in their application to indicate capacity to carry out the activity/project. The extent of needs in the City of Watsonville far exceeds the available funding from the CDBG program. Most activities to be pursued by the City with CDBG funds will be leveraged with a variety of funding sources, including: grants from State, Federal, and local governments; private foundations; capital development funds; general funds; private donations of funds or services; and other various funding sources. Below are a few City projects that have been funded using different funding sources;

City Plaza ADA Restroom Improvements Project-has been moving forward after many delays due to Covid-19 Pandemic. It is expected to be completed by June 2022.

Ramsay Park Project-has used several funding sources including the California Department of Natural Resources Urban Greening Program, City's Capital Improvement and Operating funds. This project also received a 23 million grant for much needed repairs throughout the park, soccer field, Soccer Central, Softball field, and other parts of the park.

Senior Center- For the last few years this building has been receiving upgrades by using several funding sources, Public Works Impact fees, Capital Improvement and Operating funds.

The City is actively pursuing grants and awards for projects not otherwise funded with CDBG funds.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Discussion

Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Please note that the amounts are only estimates and will be revised once the allocation is awarded.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2020	2024	Affordable Housing		Affordable Housing	CDBG: \$100,000	Homeowner Housing Rehabilitated: 3 Household Housing Unit Housing Code Enforcement/Foreclosed Property Care: 100 Household Housing Unit
2	Economic Development	2020	2024	Non-Housing Community Development		Economic Development	CDBG: \$211,934	Businesses assisted: 50 Businesses Assisted
3	Public Services	2020	2024	Public Services		Public Services	CDBG: \$124,665	Public service activities other than Low/Moderate Income Housing Benefit: 350 Persons Assisted
4	Public Facilities	2020	2024	Public Facilities		Public Facilities	CDBG: \$325	Other: 2 Other

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Affordable Housing
	Goal Description	Goal outcome indicator and funding shown is per year.
2	Goal Name	Economic Development
	Goal Description	Goal outcome indicator and funding allocated is per year.
3	Goal Name	Public Services
	Goal Description	Goal outcome indicator and funding shown is per year.
4	Goal Name	Public Facilities
	Goal Description	Goal outcome indicator and funding shown is per year.

Projects

AP-35 Projects – 91.220(d)

Introduction

The Five Year Consolidate Plan outlines proposed strategies for the expenditures of the City’s CDBG funds with the goal to provide a suitable living environment by revitalizing low- to moderate-income neighborhoods, to assist disadvantaged, low-income, and homeless persons by providing adequate public facilities and services and generating affordable housing opportunities. This annual plan focuses resources in the areas of affordable housing, economic development, public services, and public facilities.

Projects

#	Project Name
1	Section 108 Loan repayment
2	Youth Center Staffing
3	Code Enforcement
4	Administration and Planning
5	Micro-Enterprise Business Technical Assistance
6	Callaghan Park Playground Resurfacing
7	Franich Park Playground Resurfacing
8	Contingency-Senior Center Phase III

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Priority needs identified in the City’s Five-Year Consolidated Plan, the corresponding local objectives, and the specific activities to be undertaken during the 2022 Program Year to address each need are

outlined below.

Homeownership Housing Rehabilitation

Targeted Residential Code Enforcement

Economic Development

Micro-enterprise Business Technical Assistance

Entrepreneur Support

Public Services

Youth Services

Objectives of providing positive alternatives for youth in order to prevent juvenile crime and gang violence are addressed through several ongoing programs under the collaborating efforts between the Police and the Parks and Community Services Departments. There are 3 recreational sites that provide positive programming throughout the week ranging in a variety of recreational enrichment activities that promote positive emotional and physical well-being.

Youth Programs

F.L.Y.E.R.S. After School Program: For youth in 1st-5th grade. Provide assistance with homework, participate in sports, games, arts & crafts activities. Transportation is provided from school to the program site.

Spring and Winter Break Day Camp: A week long for youth ages 5-12 held during the P.V.U.S.D spring and winter breaks. The full day camp features a variety of activities, healthy snacks/lunches and a trip to a local attraction.

Camp W.O.W. Summer Day Camp: For youth ages 5-12. It is comprised of 8, 1-week sessions. Each session features a different theme and a trip to a destination. Youth participate in a variety of sports,

games, arts & crafts activities with healthy snacks/lunch provided.

Itty Bitty Sports Program: Geared towards youth ages 3-5. It is comprised of 4, 1-week session per sport. Each session introduces the participant to the fundamentals of the sport while having fun.

Currently on hold:

Youth Gymnastics Program: Program is for youth ages 3-10 and is designed to teach basic gymnastics skills. Emphasis is on developing motor skills, eye-hand coordination and confidence.

Public Facilities (Infrastructure)

The City's infrastructure is improved by various Public Works projects, including reconstruction, rehabilitation, and/or addition of streets, sidewalks, and other types of infrastructure, and the removal architectural barriers to accessibility for the physically challenged within public areas and ways.

Homelessness and Special Needs

Special Housing Need

Transitional Housing Programs

The City addresses the needs of the homeless and citizens with special needs by ongoing support of local service agencies through the City's Social Service Grant Program. The City participates in the Santa Cruz County-wide CoC strategy through financial and human resources contributions to the Homeless Action Partnership (formerly the Santa Cruz County CoC Committee).

AP-38 Project Summary

Project Summary Information

Please note that the amounts are only estimates and will be revised once the allocation is awarded.

1	Project Name	Section 108 Loan repayment
	Target Area	
	Goals Supported	Economic Development
	Needs Addressed	Economic Development
	Funding	CDBG: \$161,934
	Description	Planned loan repayment under Section 108. City used funds to construct a new downtown parking garage to spur on development and job creation. The project will fall under 19F-Planned Repayments of Section 108 Loans
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
	Planned Activities	Project was originally a downtown parking lot. Now activity only includes planned loan repayments.
2	Project Name	Youth Center Staffing
	Target Area	
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$124,665
	Description	Funding will be used to provide recreational classes for local youth at the City's community center. These funds are critical to providing staffing and services to operate the facility. The classes provide an opportunity for youth to participate in a variety of sports, games and arts & crafts activities in a safe environment. The project will fall under 05D-Youth Services that will meet an LMC National Objective. The public services objective will be to provide such services to 300 low income youth who live in the City.
	Target Date	6/30/2022

	Estimate the number and type of families that will benefit from the proposed activities	300 low income youth within the City
	Location Description	30 Maple Avenue, Watsonville, CA 95076
	Planned Activities	Funding for Parks and Community services staff at the Gene Hoularis Waldo Rodriguez Youth Center, which provides recreational services to approximately 100 youth each day. The Youth Center provides a variety of recreation and neighborhood services programs that benefit the City's youth. The recreational programs will focus on, sports, games, arts & crafts, and other learning programs.
3	Project Name	Code Enforcement
	Target Area	
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$100,000
	Description	The proposed funding will be used to operate a code enforcement program in target areas throughout the City. This activity will fall under matrix code 15-Code Enforcement and will meet the LMA National Objective-570.202 (C), focusing on geographic areas that are predominantly residential, benefit low to moderate income households and areas that are known to have deteriorated or deteriorating conditions. CDBG funds will be used for actual time of various staff involved in code enforcement in specific target areas, as well as legal costs for compliance enforcement. Logs will be maintained to track activities under the Program and to determine if the program is successful in arresting the decline in low income neighborhoods.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	50 households that are in code violation located in identified areas below which represent the most deteriorated neighborhoods.

Location Description	Eligible Targeted block groups located within the City limits that are primarily residential Low/mod income areas with deteriorated or deteriorating conditions; BLOCK GROUPS <ul style="list-style-type: none"> • 1101002,1101004 • 1102001,1102002,1102004,1102005 • 1103001,1103004 • 1105011,1105013,1105014,1105021,1105022 • 1106003,1106005 • 1107001 	
Planned Activities	To address and inspect illegal and unsafe construction, substandard housing and property maintenance issues throughout the City. In addition, City staff will hold community educational trainings and presentations in low income areas to ensure that real properties do not reach a state of deterioration or disrepair.	
4	Project Name	Administration and Planning
Target Area		
Goals Supported	Economic Development	
Needs Addressed	Economic Development	
Funding	CDBG: \$166,000	
Description	Planning administration and management of CDBG Program. Oversight will include reporting, expenditure tracking, IDIS entry, action plan development, citizen participation, program guidelines, etc.	
Target Date	6/30/2022	
Estimate the number and type of families that will benefit from the proposed activities	N/A	
Location Description	N/A	
Planned Activities	Planning administration and management of CDBG Program.	
5	Project Name	Micro-Enterprise Business Technical Assistance
Target Area		
Goals Supported	Economic Development	
Needs Addressed	Economic Development	

	Funding	CDBG: \$50,000
	Description	In order to strengthen local entrepreneurship in Watsonville, the City will provide funds to a non-profit to manage the Plaza Vigil Business Incubator program, that focus on providing micro enterprise technical assistance. The activity will also provide funding for the Incubator Without Walls program which provides business training and technical assistance to Watsonville business start-ups and entrepreneurs. The technical assistance will be provided to low income persons who self-certify their income falls below 80% AMI and that their business has less than 5 total persons. The activity will fall under 18C-ED Micro-Enterprise and will accomplish LMCMC National Objective.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	50 business will receive technical assistance
	Location Description	23 E Beach Street, Watsonville, CA 95076
	Planned Activities	Subrecipient grant to El Pajaro Community Development Corporation, a non-profit organization, for providing micro-enterprise business technical assistance and general technical assistance to small businesses. The Programs to be funded will be the Business Incubator Program and the Incubator Without Walls program
6	Project Name	Callaghan Park Playground Resurfacing
	Target Area	
	Goals Supported	Public Facilities
	Needs Addressed	Public Facilities
	Funding	CDBG: \$125,000
	Description	This project will fall under matrix code 03F-Parks, Recreational Facilities and will meet the LMA National Objective-570.201(C).
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	An estimated 16,382 of low-mod income persons utilize Callaghan Park.
	Location Description	225 Sudden Street, Watsonville, CA 95076

	Planned Activities	Replace the sand in the current children’s playground, as it is nearing the end of its 10-15 year lifespan. The sand will be replaced with a substance called “pour in place”. Nationwide, sand is being replaced with this product as sand can harbor disease and is an attraction for animal waste. Replacing the sand will make for a cleaner and safer playground.
7	Project Name	Franich Park Playground Resurfacing
	Target Area	
	Goals Supported	Public Facilities
	Needs Addressed	Public Facilities
	Funding	CDBG: \$125,000
	Description	This project will fall under matrix code 03F-Parks, Recreational Facilities and will meet the LMA National Objective-570.201(C).
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	An estimated 16,382 of low-mod income persons utilize Franich Park.
	Location Description	795 Vista Montana Drive, Watsonville, CA 95076
	Planned Activities	Replace the sand in the current children’s playground, as it is nearing the end of its 10-15 year lifespan. The sand will be replaced with a substance called “pour in place”. Nationwide, sand is being replaced with this product as sand can harbor disease and is an attraction for animal waste. Replacing the sand will make for a cleaner and safer playground.
8	Project Name	Contingency Senior Center Ph. III
	Target Area	
	Goals Supported	Public Facilities
	Needs Addressed	Public Facilities
	Funding	CDBG: \$250,000
	Description	This project will fall under matrix code 03A Senior Centers and will meet the LMC National Objective 570.201(C)
	Target Date	6/30/2022

Estimate the number and type of families that will benefit from the proposed activities	7320 low income persons that utilize the Center
Location Description	114 East Fifth Street, Watsonville, CA 95076
Planned Activities	

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Not applicable. Entitlement funding will be distributed citywide, as eligible.

Geographic Distribution

Target Area	Percentage of Funds

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Not applicable.

Discussion

Not applicable.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The City currently operates First Time Homebuyer, Housing Rehabilitation and Inclusionary Housing Programs, all of which are designed to further the affordable housing needs of the community. Funding for these Programs is provided by multiple funding sources including HOME, CDBG, CalHome and Inclusionary Housing in-lieu fees.

While there are only a few direct services located in Watsonville, the City will continue to work with the Continuum of Care and other agencies that provide direct supportive services.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	3
Special-Needs	0
Total	3

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	3
Acquisition of Existing Units	0
Total	3

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

Ongoing rental assistance is provided through the Housing Authority of Santa Cruz County. In addition, funding constraints at the local, State and Federal levels have limited the funding available to accomplish some of the goals such as developing and acquiring housing. Consequently, Watsonville relies on private developers, non-profits, public housing and social service agencies to provide the majority of affordable housing and assists mainly through its development process.

AP-60 Public Housing – 91.220(h)

Introduction

Effective January 2021, the eight formerly “public housing” complexes located in the City of Watsonville were converted for use in the Section 8 Housing Choice Voucher (HCV) program. These complexes are now owned and operated by New Horizons Affordable Housing and Development Inc., a nonprofit subsidiary of the Housing Authority of the County of Santa Cruz (HACSC). The HACSC offers tenant-based Housing Choice Vouchers (formerly Section 8) that can be used in Watsonville. The HACSC also offers Project Based Vouchers (PBVs), which are allocated to specific units, and have been utilized to fully develop and occupy two projects in Watsonville, at the Pippin Orchard Apartments and Pajaro Valley Shelter Services. The HACSC and New Horizons have their own policies and procedures for inspections and maintenance of the units they own or manage that are occupied by voucher users.

Actions planned during the next year to address the needs to public housing

The HACSC has issued a request for proposals for Project Based Vouchers (PBV). The Request for Proposals (RFP) is typically published on an ongoing basis to provide interested parties in the community with the opportunity to request Project Based Vouchers. The HACSC has conditionally approved Project Based Vouchers for 37 units in Eden Housing’s 1482 Freedom Blvd development, 43 units for MidPen’s Miles Lane development, 37 units for MidPen’s Pippin Phase II development, and 78 units for Shangri-La’s 1620 West Beach Street Homekey development project in Watsonville. The commitment of Project Based Vouchers is often vital to the successful financing of an affordable housing development. The HACSC invites affordable housing development through the PBV RFP process as published on their website. **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

Public housing residents participate in a Resident Advisory Board that meets annually to review and discuss proposed changes to the Housing Authority’s Agency Plan.

The HACSC administers a small Family Self Sufficiency (FSS) program for Housing Choice Voucher program participants, through which FSS families establish a self-sufficiency goal. As the household makes progress toward their goal, and their income increases, HACSC puts the increase in their portion of rent into an escrow account on their behalf. When the family achieves the goal, they receive all of the money in the escrow account. Some families in this program have established a goal of homeownership and have used their escrow money towards the down payment of a home.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable. The Housing Authority of the County of Santa Cruz is designated by HUD as a High Performer.

Discussion

The HACSC will continue to offer Housing Choice Vouchers and manage the affordable units in Watsonville owned by New Horizons Affordable Housing and Development Inc. HACSC will continue to provide additional programs and services including security deposit assistance, landlord signing bonuses and a landlord risk mitigation program

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City of Watsonville is part of the Homeless Action Partnership (HAP) is a broad-based, community-wide action team, which has met every two months since 1996 to implement a Continuum of Care (CoC) strategy for resolving homelessness. The HAP's vision is that all Santa Cruz County residents will have the stable housing and appropriate services they need to live in dignity and reach their highest potential. Its mission is to develop and implement a coordinated system of housing and services for preventing and ending homelessness in Santa Cruz County. A CoC strategy organizes and delivers housing and services to meet the specific needs of homeless people as they move from the streets to stable housing and maximize self-sufficiency. A CoC strategy includes housing and services for a variety of homeless subgroups, including families, chronically homeless, seriously mentally ill, chronic substances abusers, veterans, persons with HIV/AIDS, victims of domestic violence, and unaccompanied youth

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

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

The City of Watsonville has several short term goals for addressing homelessness over the next program year. These include; The vision of the strategic plan is that the diverse residents of Santa Cruz County will have access to safe, stable housing, residents will have incomes to support their well-being, and will have access to culturally competent services empowering them to meet their basic needs and lead dignified lives.

Our mission is to prevent, dramatically reduce, and eventually end homelessness and its impact on communities throughout Santa Cruz County by implementing effective programs and strategies, by working collaboratively to increase key resources and change systems to better meet the needs of diverse homeless sub-populations, and by engaging all persons and organizations needed to work together for these purposes.

The most recent Santa Cruz County Point-in-Time (PIT) count was conducted February 28, 2022, these results will be available in the spring. The available information is from PIT conducted on January 31, 2019 and is as follows.

Enumeration teams consisting of approximately 95 local volunteers canvassed all 52 U.S Census Tracts in Santa Cruz County to directly observe persons in non-shelter, non-service, public locations. Local shelters and institutions reported their occupancy for the night prior to the count, to insure that all homeless individuals and families both sheltered and unsheltered , were counted. Individual needs were assessed via a full year of extensive community participation and feedback from over 250 stakeholders, including people who have experienced homelessness themselves. At the very core of these strategic priorities is the intent to use the evidence-based Vulnerability Index and Service Prioritization Decision Assistance Tool (VI-SPDAT)¹ to match individuals and families to the most appropriate housing and service intervention available. In this way, residents experiencing the longest-term, chronic homelessness – often the most visible – will be prioritized for services. As our Continuum of Care partnership evolves, we are moving to Implementing and operating a single coordinated entry system that will place homelessness data and data systems, including CoC-wide Homeless Management Information System (HMIS) into one secure database accessible by all of the CoC partners. This

will make it even more possible to make any door – the right door” for accessing services in our community.

The CoC’s goal is to limit the stay in transitional and emergency shelter and back into housing as quickly as possible, discharge planning as way to prevent homelessness among persons leaving other systems of care, and emergency shelter and transitional housing as an interim housing solution pending the availability of suitable permanent housing. Under the Ten-Year Plan, community members:

Delivered extensive prevention and rapid rehousing services (including financial assistance and housing stabilization services) through the federal HPRP, state administered Emergency Solutions Grants (ESG), federal CalWORKS Housing Support Program, federal Supportive Services for Veteran Families (SSVF) program, and County and City sources (that target senior and medically frail persons). Through a \$4 million HPRP grant alone, 14 agencies collaborated to serve 885 households (2,053 persons), 83% of whom retained or obtained permanent housing.⁴⁵ Coordinated strategically with representative from the Foster Care, Mental Health, Public Health, and Corrections systems to implement protocols to avoid discharging people to homelessness and to help prevent institutional recidivism.

- Developed new emergency shelter programs to cope with influx of persons newly homeless, including the 90-bed Rebele Family Shelter, 46-bed Paul Lee Loft Shelter for adults, and 12-bed Paget Center for homeless veterans, while maintaining a sizable preexisting stock of emergency shelter and transitional housing, serving varied populations and subpopulations such as families, adults, seriously mentally ill, persons with drug or alcohol issues, emancipating foster youth, persons with HIV/AIDS, and farm workers.
- Piloted nationally recognized, innovative models of permanent supportive housing for persons experiencing chronic homelessness with serious mental illness and substance addictions, including the 13-bed Nuevo Sol project, 33-bed MATCH project, and 36-bed Shelter Plus Care program.

Emphasized housing the most medically vulnerable persons as part of the national 100,000 Homes Campaign, succeeded in housing more 200 from this population, and the Housing Authority of the County of Santa Cruz created 120 Housing Choice Voucher preference slots for program participants. Our short term goals (one to three years) are to 1. Establish a countywide steering committee of representatives of the key partners serving families to develop a method for identifying families most in need of prevention services. 2. Target 10% of the permanent supportive housing beds and 50% of the rapid rehousing beds proposed above to families to meet the relative need. 3. Provide the new rapid rehousing programs in collaboration with existing family interim housing to assure a continuum of services. 4. Sustain existing family (and domestic violence) shelters to meet the scale of need (including for woman only and women with children). Coordinate common lengths of stay, self-sufficiency goals and outcomes among all family shelters. 5. Working with coordinated entry, develop common policies and a shared family waiting list, making appropriate housing interventions, based on severity of need. 6. Link children experiencing homelessness and their families to the County Office of Education Students in Transition Program. 7. Advocate for a “limited local preference” for families experiencing homelessness who are on the waiting list for the Housing Choice Voucher Program.

Helping homeless persons (especially chronically homeless individuals and families, families with children,

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

The Continuum of Care (CoC) is working on obtaining more permanent, supportive housing in our community by marketing and educating property and complex owners that subsidized housing is such a bad thing as some have stereotyped it to be. The monthly rent is guaranteed and supportive services such as budgeting and health care are often packaged with the voucher. This action should free up more transitional housing and make more emergency shelter available.

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

Community resources for people recently released from mental and physical health institutions are The Santa Cruz County Mental Health Team with services that include Coordinated Care Treatment Teams for Older Adults Team, a Recovery Team (26 and above) that provides coordinated care to individuals with chronic mental illnesses with severe functional impairments, a South County Adult (SCA) Team that provides coordinated care to mental health patients living in Watsonville and the southern areas of Santa Cruz County who are in need of case management, medication services and therapy, and a Transition Age Youth (TAY) Team (Youth 18-25) that will coordinate care to young adults with a major mental illness who are in need of case management, medication services, therapy as well as vocational and educational supports.

Also serving this targeted population is The Homeless Persons Health Project (HPHP) provides services throughout Santa Cruz County to homeless or marginally housed youth, adults, and families with children.

The Recuperative Care Center (RCC) is operated through a partnership between HSC and the County Homeless Persons' Health Project (HPHP), with the support and investment of Dominican Hospital/Dignity Health, Watsonville Community Hospital, Central California Alliance for Health, Hospice of Santa Cruz, the County Health Services Agency, and the Health Improvement Partnership.

Discussion

The City of Watsonville will continue to participate in the Santa Cruz County Continuum of Care (CoC) to find ways to assist homeless persons, especially chronically homeless individuals and families, veterans and their families and unaccompanied youth. The City will use a combination of federal, state, and local resources to rapidly re-house and stabilize homeless individuals, especially chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth. The City of Watsonville will work with local service providers, housing authorities, and the Veterans Administration via the CoC to secure housing assistance for the homeless in Santa Cruz

County.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Many factors can impact development and affect affordable housing such as market conditions, environmental/physical constraints, government codes, and budgetary limitations. Watsonville is committed to finding ways to alleviate these constraints and address the needs of the community as previously discussed and outlined below.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Barriers such as those discussed previously are considered and addressed in the City's Housing Element and General Plan, which the City is currently in the process of updating. Programs such as the First Time Homebuyer and Housing Rehabilitation Programs will continue to be offered and the City will continue to operate its Inclusionary Housing Program to provide and preserve affordable housing. Code enforcement activities will continue to be carried out to eliminate blight, which can affect investment, depress property values and impact the quality of life in a neighborhood.

In addition, the City has and will continue to seek out funding available for programs that support affordable housing and/or to assist with costs associated with development of affordable housing. Financial and non-financial support will continue to be provided to other programs, developers and governmental agencies involved in affordable housing and supportive services. Watsonville has and will continue to actively participate with other agencies and organizations in programs and policies that could affect the housing or the quality of life in Watsonville.

Discussion:

Watsonville's budgetary constraints, which is further affected by decisions and issues at the state and national level, have limited the funding available to address local housing and infrastructure needs and supportive services. Consequently, the City has had to look for other ways of addressing the housing needs of the community.

As part of the City Council's Strategic Plan, Housing is one of the Council's top priorities, including expanding quality housing opportunities, preserving existing affordable housing for Watsonville residents, and reviewing housing and land use policies that maximize development potential. Areas of focus include community education and outreach, Affordable and low-income units and rental housing, workforce housing opportunities, and homeownership assistance.

The City of Watsonville still faces a number of challenges in addressing local housing needs.

These include diminishing affordability in northern Santa Cruz County jurisdictions that increases the demand for lower-cost housing in Watsonville. This market demand increases housing prices, resulting in overpayment and overcrowding for Watsonville residents.

AP-85 Other Actions – 91.220(k)

Introduction:

The greatest obstacle to meeting any underserved need is the lack of sufficient funding, including:

- Limited availability of funding from federal, state and other sources
- Limited availability of developable land
- High cost of housing and provisions in the area, which increases the difficulty of meeting affordable housing needs; and
- Reduced or frozen funding from the state, and other sources due to inadequate state revenue

Actions planned to address obstacles to meeting underserved needs

Most of the obstacles identified above are beyond the control of the City of Watsonville. The reduction in State and Federal funding limits the City's ability to address needs, however, staff actively seeks to leverage any funding to the extent possible and continue to lobby State and Federal agencies to provide adequate funding. The limited availability of land is caused by County actions, however we continue to seek opportunities to address needs by utilizing infill strategies. The high cost of housing is directly attributable to the artificial limits on housing growth that are placed on the City by the County and State, but the City is seeking to maximize the available opportunities to increase the supply of housing. In addition to exploring potential updates to the City's infill policies in order to allow higher densities in transit corridors, the City is proposing an Expanded Urban Service Line in its 2030 General Plan. If the Plan is approved, it could potentially allow annexation of additional buildable land to the City limits.

The City is committed to finding new ways to fund these activities through leveraging the existing available funds and by seeking to implement other special tax districts to deal with blight and poverty issues.

The City will continue to work with non-profit housing and service providers to collaborate on improving awareness and expansion of available resources to address the needs of the homeless population.

Actions planned to foster and maintain affordable housing

Low to 0% interest loans will continue to be offered through the City's First Time Homebuyer and Housing Rehabilitation Programs. These Programs provide gap financing to make it more affordable for low income individuals to purchase a home and financial/technical assistance to low income homeowners or homeowners who rent to low income households make repairs to an existing home.

The City's Economic Development efforts have resulted in a substantial increase in jobs in Watsonville in spite of the COVID-19 pandemic. The Economic Development program includes business retention, expansion, attraction and gardening efforts. While the City is constrained by a lack of developable land, the City has been able to find users for nearly all of the existing opportunity sites, and are actively working to rehabilitate and increase job density in areas that have underutilized spaces. The City also works with local partner agencies like the El Pájaro Community Development Corporation, the Small Business Development Center and the Workforce Investment Board to provide education, job training, incubation/acceleration and other efforts to ensure the workforce is properly trained and prepared to take new jobs as they become available. Staff also works closely with the local community college, universities and other

institutions of higher learning to identify potential new business development opportunities, and to coordinate existing workforce needs.

Targeted Code enforcement is another important tool in preserving and maintaining the quality of existing housing. Inspection and monitoring efforts provided by an active Targeted Code Enforcement Program to ensure a safe and healthy environment and reduce the cost burdens that can impact affordability, especially when combined with other housing assistance programs.

The City will continue to look for opportunities to assist developers, non-profits, and other providers in preserving and constructing affordable housing to meet the needs of the community. Currently, the City's main affordable housing resource is its Inclusionary Housing Program. This Program either collects an in-lieu fee for new construction or requires a percentage of new housing construction (7 or more units) be restricted for purchase or rent by low to above moderate income households at affordable prices. The income limits for this Program are based on 70% of the AMI. The fees collected are used to further affordable housing goals.

Actions planned to reduce lead-based paint hazards

All applicants assisted through the City's Housing Rehabilitation Program will be provided information on lead-based paint. If the unit was built prior to 1978, it will be tested for LBP and any hazards will be abated. Contractors working with the Program will be required to obtain EPA Lead-Safe Certification and use safe work practices when performing work on pre-1978 units.

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

Actions planned to reduce the number of poverty-level families

The City of Watsonville will support various public service programs, both with CDBG funding and its own General Fund, to provide essential services aimed at helping to reduce the number of poverty-level families, including supporting programs that meet the critical needs of family, such as food and medical care.

Actions planned to develop institutional structure

One of the Institutional gaps identified was that not all services are located in the City of Watsonville. As a result, residents must travel to receive some services. The City will continue to work with service providers to offer services in Watsonville, and will support those programs that do so. New applicants for Social Service Grant funding are required to complete a Focus Watsonville addendum that specifically seeks to identify services and resources provided in

Watsonville, including:

- How many unduplicated clients were from Watsonville last year?
- Do you have a Watsonville office?
- What is the number of your Watsonville Staff?
- How many of Watsonville staff speak Spanish?
- Race / Ethnicity of Watsonville staff and clients
- Briefly describe your accomplishments in Watsonville in the past 12 months
- Specify how you coordinate with other agencies to provide services in Watsonville.

A regional online and telephone referral service called 2-1-1 offers a comprehensive listing of services in the County.

Actions planned to enhance coordination between public and private housing and social service agencies

To ensure an environment of mutual cooperation is an important goal of Watsonville. City efforts to support local agencies, other jurisdictions, developers and providers of housing and supportive services will continue to involve participation on various boards, at various meetings and events as well as project collaborations. Opportunities to encourage and assist affordable housing efforts will continue to be pursued through improved development procedures, assistance and cooperation.

Discussion:

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

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

The City of Watsonville will follow all HUD regulations in the implementation of programs and activities in the 2022-2023 Annual Action Plan concerning the use of program income, forms of investment, and overall low- and moderate-income benefit for the CDBG program.

The following provides additional information about the CDBG program income and program requirements.

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included projects to be carried out.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	80,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	80,000

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

This Action Plan is being designated as year three of a one-year overall benefit period consisting of 2022.