CITY OF SANTA CLARA, CALIFORNIA

CONSOLIDATED PLAN

FIVE YEAR PLAN
FOR
PROGRAM YEARS 2010-11 THROUGH 2014-15

and the

ANNUAL PLAN

PROGRAM YEAR 2010-11
OF THE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
AND THE
HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

Prepared by the Community Services Division,
Department of Planning and Inspection

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INTRODUCTION: WHAT IS A CONSOLIDATED PLAN?

The City of Santa Clara receives entitlement grants from two federal programs administered by the U.S. Department of Housing and Urban Development (HUD): Community Development Block Grant (CDBG) and Home Investment Partnerships Act (HOME). Funding is allocated on a formula basis, based on several factors, including population. The purpose of these programs is to assist urban communities to provide decent and safe housing, a suitable living environment, and economic opportunities for extremely low, very low and low income persons.

Titles I and II of the National Affordable Housing Act, the law which authorizes these two programs, requires that local governments prepare and adopt a five-year Consolidated Plan (ConPlan) that identifies local community development needs and sets forth a strategy to address these needs. The Consolidated Plan must address both affordable housing and non-housing related community development needs in accord with regulations and guidelines set down by HUD. The Consolidated plan serves four functions:

- A planning document for the City of Santa Clara, which builds on a participatory process at the community level;
- An application for federal funds under HUD's formula grant programs;
- A strategy to be followed out in carrying out HUD programs; and
- An action plan that provides a basis for assessing performance.

The Consolidated Plan consists of two parts: a five-year Strategic Plan and annual, one-year Action Plans to implement that Strategic Plan. The City's last Strategic Plan covered the fiscal years 2005-06 through 2009-2010. Thus, the first part of this document sets forth a new five year Strategic Plan for the fiscal years 2010-11 through 2014-15. This document includes an analysis of housing and community needs and establishes priorities for the use of federal funds to meet those needs. The second part of this document is the proposed Annual Plan for the use of Federal Funds in the fiscal year to begin July 1, 2010.

The City of Santa Clara is located in the geographic center of the Santa Clara County metropolitan area. Given its location, it reflects many of the trends that Santa Clara County, as a whole, is experiencing. The needs assessments set forth in this document highlights those factors that are unique to the City. The needs assessment is based on quantitative data from a variety of sources, the most significant of which are the United State 2000 Census and Claritas 2009[1], the latter a private demographic data vendor. Data from those and other sources were compiled by Bay Area Economics, a private consultant to all the entitlement jurisdictions, to develop a draft Consolidated Plan covering the whole County and the entitlement jurisdictions.

The City's Housing and Community Services Division (H&CSD) of the Planning and Inspection Department is responsible for administering the CDBG and HOME programs, including the preparation of the Consolidated Plan. The Consolidated Plan was prepared in cooperation with other entitlement jurisdictions in Santa Clara County, the Housing Authority of the County of Santa Clara, and local social

[1] Claritas 2009 is used instead of the American Community Survey (ACS) because ACS does not allow an analysis of block groups or smaller geographic areas. The City's 2009 Housing Element relied on ACS 2006.

service providers, including government and not-for profit institutions. After a period for public review and a public hearing, the City Council adopted the Strategic and Annual Plans presented herein.

CITIZEN PARTICIPATION PROCESS

1. IMPLEMENTATION OF THE CITY'S CITIZEN PARTICIPATION PLAN

As an entitlement jurisdiction under the federal Community Development Block Grant (CDBG) and Home Investment Partnerships Act (HOME) programs, the City of Santa Clara has an approved Citizen's Participation Plan, which was last updated on November 9, 1999. That plan outlines the process by which the annual Consolidated Plan is formulated and amended, and provides for and encourages citizens to participate in the development of that Plan. The City solicits participation in the various stages of development of the Consolidated Plan by public notices, direct mailings, public service announcements on the City cable channel and on the City's website. Public notices state that translation services and assistive listening devices for persons with disabilities are provided upon request.

In preparation for the Five-Year Plan and the 2010-11 Annual Plan, the City held a public hearing to solicit input on community needs on November 17, 2009. A public notice of this hearing was published in the *Santa Clara Weekly* on October 28, 2009, and notices were mailed to 41 organizations and individuals and 8 entitlement jurisdictions in Santa Clara County, soliciting input. A total of four oral and written comments were received at this hearing. A notice of availability of applications for CDBG and HOME entitlement funds was published in the *Santa Clara Weekly* on November 25, 2009. A total of 39 agencies were notified by mail of the availability of applications for funding.

Public comment on the applications was provided at two public hearings: February 9, 2010 (public notice published January 20) and March 9, 2010 (public notice published February 3). A total of 12 oral and written comments were received at the first hearing. A subcommittee of the Citizen's Advisory Committee (CAC) attended the first public hearing to listen to the public testimony. The CAC met and formulated its FY 2010-11 funding recommendations on February 22. Those recommendations were presented at the March 9 hearing. A total of [To be Determined] oral or written comments were received at this second hearing. After concluding the second public hearing, the Santa Clara City Council approved an entitlement grant spending plan for the program year that begins July 1, 2010.

On March 31, 2010, notice of the availability of the Consolidated Plan for public review and comment and of a public hearing on the Consolidated Plan was published in the *Santa Clara Weekly*. This notice summarized the Consolidated Plan and stated that the Plan was available at the City's main public library, City Clerk's office and H&CSD offices. A total of [To be Determined] oral and written comments on the draft Consolidated Plan were received by the City. On May 11, a public hearing on both the Five-Year and Annual Plan was held.

2. PUBLIC PARTICIPATION IN THE DEVELOPMENT OF THE CITY's 2009 HOUSING ELEMENT

The 2009 City of Santa Clara Housing Element was prepared to meet the intent and requirements of State law. The purpose of the Element is to plan for an adequate variety of safe, appropriate and well-built housing for all residents of Santa Clara. The format of the Element follows very specific State guidelines with respect to data, evaluation, and topics. Many of the findings, policies, strategy and objectives of the Housing Element are incorporated into the ConPlan.

Like the ConPlan, the Housing Element included a public participation process. Because the ConPlan and the Housing Element address many of the same issues, public participation in the Element process framed many of the issues set forth in the ConPlan. During preparation of the 2009 Housing Element, public input was actively sought and encouraged. Twelve representatives from local organizations and agencies that provide housing or housing-related services were interviewed in June 2008, to obtain input on housing trends, needs, constraints, and opportunities in the City of Santa Clara. These individuals included representatives from market rate and affordable housing developers, fair housing service providers and mediators, government housing agencies, and other housing advocates. The public-at-large provided input through a community workshop on housing on August 4, 2008. The City's General Plan Steering Committee, made up of stakeholders from a range of interests, backgrounds, and organizations, also provided input on housing and a draft of the Element, at three of its meetings (August 28, 2008; January 15, 2009; and January 31, 2009). Finally, Planning Commissioners and City Council members provided input on housing needs and issues during joint meetings in September 2008 and February 2009. Noticed public hearings for Planning Commission and City Council hearings were held in Summer 2009.

Approximately 1,600 community members responded to a Citywide survey on housing and quality of life issues in Santa Clara, reporting their preferences for future housing locations, types, densities, and designs. Two newsletters have been sent to all addresses in the City, describing the purpose of the Housing Element and General Plan updates, explaining progress on planning efforts, and inviting community members to participate in the update process through the project website, survey, community workshops, and other meetings.

3. COORDINATION OF ACTIVITIES WITH OTHER ENTITLEMENT JURISDICTIONS

Santa Clara County has 8 entitlement cities and an urban county consortium. Representatives from those 9 entitlement jurisdictions meet on the order of six times a year to discuss countywide interests, including a 2009 Homeless Study and jointly funded projects. The committee regularly invites members of the public and HUD representatives. Studies, such as that prepared by a jointly-funded Consolidated Plan Consultant, and the Homeless Survey commissioned by the County Homeless Collaborative and funded by the entitlement jurisdictions, are reviewed and strategies are discussed. The Housing Authority of Santa Clara County, the Fair Housing Collaborative and United Way Silicon Valley are regular participants.

The Consolidated Plan Consultant coordinated a countywide public participation process as well as developing a master document for common use by all of the entitlement jurisdictions. Throughout September 2009, 8 of the 9 entitlement jurisdictions in Santa Clara County hosted four Consolidated Plan Workshops to engage the public and local stakeholders in the planning process. The Workshops were held in Sunnyvale, San José, and Morgan Hill, to encompass northern, central, and southern Santa Clara County. Workshops were scheduled both after hours (6pm to 7:30pm) and during the workday (3pm to 4:30pm), allowing more flexibility for participants to attend. With the exception of the North County Workshop, which took place in the Sunnyvale City Hall, all the other sessions were held in neighborhood community centers or libraries. The Workshops were well attended, thanks to the entitlement jurisdictions' efforts to publicize the events through emails to service providers, advertisements in the local newspapers, and communication with local stakeholders, neighborhood groups, and public officials. A total of 105 individuals participated in the Workshops.

At the Workshops, staff outlined the Consolidated Plan process and the purpose of the document. Participants then dispersed into smaller groups to discuss needs associated with (1) community services, (2) housing, (3) economic development, and (4) community facilities and infrastructure. After the small-group sessions, participants reconvened to discuss these issues as a single group. Specifically, participants were asked:

- What are the primary needs associated with each issue area?
- What services and facilities are currently in place to effectively address these needs?
- What gaps in services and facilities remain?

While responses generally centered on the specific sub-area of the County where the meeting was held (i.e., North, Central, South, and San José), countywide issues also arose during the Workshops.

As another method of soliciting input, Workshop participants also completed an informal survey that assessed local community development needs. This survey was distributed more broadly among the San José SNI network to further engage the public in the Consolidated Plan. Although these surveys are not meant to be a rigorous quantitative assessment of need, they do offer a general perspective on community development concerns and priorities. A total of 120 surveys were received.

4. CONSULTATION WITH OTHER PUBLIC AND PRIVATE ENTITIES

In addition to seeking comments from citizens and other entitlement jurisdictions in Santa Clara County, the City has consulted with the Housing Authority of Santa Clara County, and interested city and countywide public committees, such as: Santa Clara Domestic Violence Council, the County Homeless Coordinator, the Office on Human Relations, the Association of Bay Area Governments, AIDS Resources Information and Services, the Senior Access Consortium, Santa Clara County Mental Health Bureau, San Andreas Regional Center, Santa Clara County Public Health Department, County Childhood Lead Poisoning Prevention Program, Housing Choices Coalition, Santa Clara Police Department, County Social Services Agency, Greenling Institute, and various public service agencies directly and indirectly supported by the City.

For consultation purposes, a copy of the Consolidated Plan was submitted to the California Department of Housing and Community Development prior to Council adoption.

The City operates a housing rehabilitation program for low and moderate income homeowners. A Rehabilitation Loan Committee, which includes low-income members from the community, meets once each quarter to review housing rehabilitation loan applications and determines the scope of work and terms of financial assistance. The Committee also advises the City on program policy.

The City has adopted an Anti-Displacement and Relocation Plan, last updated in January, 1994. As appropriate, the City provides General Notices to any residents or businesses that might be subject to displacement due to a federally-funded project.

5. SUMMARY OF CITIZEN COMMENTS

[To be Determined]

6. RESPONSES TO CITIZEN COMMENTS

[To be Determined]

City Affordable Housing Programs and Financial Resources

The City has four primary sources of revenue to support the development of affordable housing: the Redevelopment Agency of the City of Santa Clara (Agency) Affordable Housing Set-Aside (RDA), the Home Investment Partnerships Act (HOME), the Community Development Block Grant (CDBG) and the City Affordable Housing Fund (CAHF). The City also has two RDA special funds for affordable housing: the Agency Supplementary Affordable Housing Fund (RDA915) and Agency Housing Rehabilitation (RDA9305). The use of all of these sources for the development of new housing and maintenance of existing housing, as well as the non-housing needs set forth in this ConPlan, are coordinated through the City's Housing and Community Services Division. The consolidation of the CDBG, HOME and RDA programs took place in July, 2001. The other three funds have been created since 2005. Such consolidation enables the City to set and implement a comprehensive affordable housing strategy.

1. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

The City is an entitlement city under the federal CDBG Program. The CDBG Program was first authorized under the Housing and Community Development Act of 1974. Funds may be used for a variety of activities benefiting low-income households, but they cannot be used for permanent, new housing construction or direct payments to individuals. The City uses CDBG funds for administration (20%) public services (15%) and capital improvement (65%). Capital improvement activities include both housing and non-housing projects.

The FY 2010-11 entitlement is estimated to be$1,159,448, a 7% increase over the current year, but a 6% decrease from FY 2005-06. In his State of the Union address in January, the President spoke of reducing domestic spending over each of the next three years. The fiscal year 2011 budget, released on February 1, 2009, proposes to reduce CDBG funding by 5%. The ConPlan estimates of available funds assumes 5% decreases over the FY 2010-11 entitlement over each of the last four years. The City projects $150,000/year in program income for each of the five years of the ConPlan. Based on these assumptions, the City estimates that new, available CDBG funds will be $5,998,283 for the period 2010-2015. A projected $1,219,000 in CDBG funds were budgeted and not spent as of June 30, 2010.

In February, 2005, HUD published an analysis of the current CDBG distribution formula that proposed four new formula alternatives. Two of the alternatives, if applied to the City's FY 2004-05 allocation, would have reduced the City's entitlement in those years by over 30%; a third alternative would have reduced it by 5%.[2] It is possible that, in implementing future CDBG reductions, Congress may adopt a new allocation formula and the City's loss of CDBG funds may be greater than 5% per year.

[2] HUD, "CDBG Formula Targeting to Community Development Need," February, 2005, p. B-16.

The City has three major capital programs for which it uses CDBG funds. Over the last five years, the City has allocated each program about one-third of CDBG funds available for capital improvement activities.

- Rental Rehabilitation: Usually provided to 100% affordable projects with non-profit owners. Projects are usually targeted for special populations such as seniors, the homeless, persons with disabilities and extremely low income households. This program occasionally assists acquisition and rehabilitation of residential properties, usually intended as group homes for special needs populations and often in conjunction with HOME or RDA funds.

- Homeowner Rehabilitation: The NCIP Program assists low-income homeowners to undertake necessary repairs to maintain a safe and sanitary housing unit. Historically, about half the recipients are extremely low income, usually seniors. CDBG funds are usually used for projects funded with deferred loans, because 15% of the repayments may be used to supplement funding for public services. Virtually all of the City's CDBG program income is generated by the NCIP Program.

- Public Facilities: Usually involve accessibility modifications that bring existing public facilities into compliance with the Americans With Disabilities Act. On occasion, publicly-owned parks and infrastructure projects in identified low income neighborhoods are funded with CDBG.

2. HOME INVESTMENT PARTNERSHIPS ACT (HOME)

The City is a Participating Jurisdiction in the federal HOME Program. The HOME Program was first authorized under the Cranston-Gonzalez National Affordable Housing Act in 1990. It was designed to encourage entitlement jurisdictions, in collaboration with private organizations, to undertake activities and adopt policies aimed at expanding and improving the supply of affordable housing. The law maintains a preference toward rehabilitation. HOME funds are sometimes combined with RDA and/or CDBG funds. The City uses HOME funds for administration (10%) and housing capital projects (90%).

The FY 2010-11 entitlement is an estimated $661,772, the same as in the current year and only slightly more than the City received in FY 2005-06. The fiscal year 2011 budget, released on February 1, 2009, proposes to reduce HOME funding by 9%. The ConPlan estimates of available funds assumes a 9% decrease in FY 2011-12, and subsequent 5% decreases in each of the last three years. The City projects $50,000/year in program income for each of the five years of the ConPlan. Based on these assumptions, the City estimates that new, available HOME funds will be $3,145,916 for the period 2010-2015. A projected $1,926,488 in HOME funds were budgeted and not spent as of June 30, 2010.

Because of the limited amount of HOME funds, the City's HOME Program strives to leverage non-federal funds. Over the 18 years of the City's HOME Program, it has succeeded in leveraging just under six dollars for each HOME dollar spent. In addition, the City's HOME Program has focused on special needs populations that are extremely low income (ELI), households whose income is less than 30% of the Area Median Income (AMI), based on household size.

The City has four primary programs for using HOME funds. Because HOME projects must "fit" the City's available HOME funds, the City does not choose to allocate funds to specific types of projects. Instead, the City gives highest priority to proposed projects that meet three criteria: (1) Focus on ELI and very low households (VLI), whose income is 30-50 % of AMI; (2) Leverage a substantial amount of non-HOME funds; and (3) Are of an appropriate size and scope to benefit from the use of HOME funds.

- Rental Rehabilitation. Usually provided to 100% affordable projects with non-profit owners. The City has developed a HOME Rental Rehabilitation Program for private owners, but no owner has chosen to participate in the program because of the rent and income restrictions. Projects are usually targeted for special populations such as seniors, the homeless, persons with disabilities and extremely low income households. While focused on rehabilitation, this program also assists acquisition and rehabilitation of existing rental properties, usually in conjunction with RDA funds.

- Homeowner Rehabilitation. The City's Neighborhood Conservation & Improvement Program (NCIP) assists low-income homeowners to undertake necessary repairs to assure a safe and sanitary housing unit. Historically, about half the recipients are extremely low income, usually seniors. HOME funds are usually focused on higher cost rehabilitation projects. HOME funds have more restrictions on their use than CDBG funds. Thus, the City seeks to minimize the use of HOME funds for the NCIP Program. In the next five years, the City intends to use HOME funds for special programs such as the City's Bright Homes Program, which provides exterior painting grants for qualified homeowners. For such programs to comply with the HOME requirement to meet all applicable local codes, a housing inspection is conducted. Any code violations discovered by that inspection must be brought into compliance before the homeowner is eligible to participate in the special program. About 80% of the City's HOME program income is generated by the NCIP Program.

- "Sweat Equity" Homeownership: In the last ten years, the City has completed two homeownership projects in partnership with Silicon Valley Habitat for Humanity. Because Habitat brings substantial in-kind contributions, particularly labor, it can effectively reduce home purchase prices to a level affordable to very low income households. Such projects generally need City help in obtaining land, and are often small, in-fill projects.

- Homeless/Transitional Housing: Assists non-profit housing organizations in new construction and acquisition of housing for special needs populations. HOME funds are often combined with RDA funds, which are the primary source of the City's HOME Program local match. The beneficiaries of this program are primarily extremely low income.

3. REDEVELOPMENT AGENCY AFFORDABLE HOUSING SET-ASIDE (RDA)

The Agency updated its Implementation Plan in 2009, to provide a ten-year plan for the use of Agency tax increment projected for that period. State law requires that 20% of annual tax increment from the Agency development project areas be set aside for affordable housing. In July 1990, the Agency adopted nine Implementation Principles to establish direction for the administration of affordable

housing programs that would be funded by the RDA. The adopted Implementation Principles are stated below:

- The Housing Fund shall be used to implement the goals and objectives of the City's General Plan and Consolidated Plan;

- The Housing Fund shall pay for program administration. Average administrative costs shall not exceed 10 percent of the Affordable Housing Fund's annual budget;

- The priority of the Housing Fund is to increase the supply of affordable housing in Santa Clara;

- The Housing Fund Program should avoid ownership or management of housing units by the City or Agency. The Program should utilize private, non-profit organizations where possible and the Housing Authority of the County of Santa Clara (Housing Authority);

- Lump sum payments are preferable to on-going subsidies;

- Avoid direct rent subsidies unless administered through the Housing Authority;

- Fund repayment is preferable to grants; however, some activities will require grants to achieve affordability, especially for very low and low-income households;

- In the provision of housing and housing services, preference shall be given first to Santa Clara residents, then to households with a member working in Santa Clara, and then to other households; and

- Disperse affordable housing projects to avoid over-concentration.

For the period July 1, 2005 to June 30, 2010, RDA funds totaled $25,855,035. The current RDA Implementation Plan projects revenues of $30,389.000 from the required 20% Set-Aside. The projected RDA revenue for the next five years may be overstated because of the recent decline in property values. This ConPlan assumes it will be about 10% less, or $27,350,100. A projected $35,364,406 in RDA funds were budgeted and not spent as of June 30, 2010.

As part of the 2009-19 Implementation Plan, the Agency identified and adopted five activity categories for implementing the affordable housing program. A brief description of the activity categories and the allocation guidelines associated with each category is illustrated below.

- <u>Program Administration</u>: Allocation = 6%
  This category includes staff and operational expenses. RDA Administration funds have also been used to fund eight affordable housing service agencies supported by the City. These programs target ELI and VLI households. Historically, the City has used less than 3% of the set-aside funds for administration. The proposed decrease in federal entitlement funds, coupled with the need to manage an increasing portfolio of long-term affordable housing projects, makes it likely that the City will need to allocate an increasing portion of RDA funds to administer its affordable housing activities.

- Special Needs Housing: Allocation = 9%
  This category was established to assist non-profit housing organizations in either developing new facilities or improving or rehabilitating existing facilities. The beneficiaries of this housing are often extremely low income.

- Mortgage Assistance: Allocation = 14%
  This category was established for a mortgage assistance program structured as a second mortgage loan for first-time homebuyers. Makes deferred second loans of up to $50,000, which extend the purchaser's buying power. Historically, the program has focused on medium income households (less than 110% of the area median income based on household size). Recently, low interest rates have enabled a few low income households to participate in this program.

- Senior Housing: Allocation = 15%
  A separate allocation was established for development of affordable senior housing in recognition of the long waiting lists for existing senior housing and the impact of rising housing costs on a growing senior population with fixed incomes. This category of housing development typically includes rental units, assisted living facilities, or senior supportive housing.

- Affordable Housing for Families: Allocation = 56%
  This category was established to provide funding to assist private, for-profit and non-profit developers both in developing new housing and in acquiring/rehabilitating existing housing. New ownership or rental housing developments must be made available at affordable costs to low and moderate-income households. Projects to acquire and rehabilitate existing housing will typically be multi-family rental housing. Rents are restricted to insure that the units remain affordable for lower-income households. While usually focused on new construction projects, this program also assists acquisition of existing rental properties.

4. REDEVELOPMENT AGENCY SUPPLEMENTARY HOUSING FUND (RDA915)

Since July, 2002, the Agency allocated an additional 10% of the tax increment for affordable housing, bringing the total Agency investment in affordable housing to 30% of the annual tax increment. For the period July 1, 2005 to June 30, 2010, RDA915 funds totaled $12,633,498. The current RDA Implementation Plan projects revenues of $7,061,000 from the RDA915. As with the RDA funds, this ConPlan assumes the RDA915 available funds will be about 10% less, or $6,335,000. A projected $6,014,509 in RDA915 funds were budgeted and not spent as of June 30, 2010.

RDA915 funds are more flexible when used for affordable housing than are the RDA funds. Their primary purpose is to supplement the NCIP Program, which may be needed to a greater degree if the projected decrease in CDBG and HOME are realized and as the age of the City's housing stock increases.

5. REDEVELOPMENT AGENCY AFFORDABLE HOUSING REHABILITATION FUND (RDA9305)

On November 14, 2006, City Council approved the use of RDA915 for the NCIP Program. That approval was set forth in a Memorandum of Understanding (MOU) between the Agency and the City. A section of that MOU designated that any "repayment, interest, or other return of investment" of RDA915 funds allocated to NCIP "shall be deposited in the Agency's Affordable Housing Rehabilitation Fund." RDA9305 funds "will be contributed permanently to the City's NCIP Program."

The primary use of RDA915 in the NCIP Program is to fund grants, most of which are for accessibility modifications for persons with disabilities (including those residing in rental properties) or urgent health and safety rehabilitation for low income homeowners. Grants do not provide return on investment. This ConPlan projects that available RDA9305 funds will be $10,000 for the period 2010-2015.

6. CITY AFFORDABLE HOUSING FUND (CAHF)

The City has a Below Market Inclusionary Program (BMIP) that is authorized by its Housing Element. This program requires developers to set aside ten percent of newly constructed units, units converted from non-residential to residential, and/or units changed from renter to homeowner tenure.

The City substantially restructured the Below Market Purchase (BMP), or first-time homebuyer portion of its BMIP in FY 2006-07. The new program was approved by City Council on January 9, 2007. The revised program is a market-based approach that enables first time homebuyers to participate in the housing market after five years of residence and full appreciation as market-rate owners after twenty years of residency in the BMP Unit. Because it is a hybrid, with both resale restrictions (the first five years) and recapture restrictions (after five years), the program is not eligible for federal HOME funds. The program has been well received by developers and has been approved for use with California Housing Finance Agency (Cal HFA) homeowner loans.

After five years, the City recaptures the value created when the homeowner sells a BMP home. That value is the difference between the market value of the home at purchase and the discounted sales price to the original buyer. That difference is paid to the City and deposited into the CAHF. The first eligible market sales of BMP units will occur in 2012. With the lingering effect of the housing market recession likely to still be affecting home sale prices at that time, this ConPlan projects $300,000 in recaptured value for the period 2010-2015.

The City's BMP does not allow developers to pay "in-lieu fees" in return for not being obligated to provide the 10% of affordable units. There is one exception, related to fractional unit obligations. For example, a development of 15 housing units would have an inclusionary obligation of 1.5 units. To meet the half-unit obligation, the developer may provide a second affordable unit or may choose to pay a fee equal to the value of the half unit. The CAHF balance on 7/1/2010 is projected to be $375,000, all from these fractional in-lieu payments. There have been no homeowner developments contributing such payments in the last two years. This ConPlan assumes housing development will

continue to be modest for at least the next two years. As a result, this ConPlan projects $200,000 in fractional in-lieu fees for the period 2010-2015. The CAHF is expected to provide $500,000 for the period 2010-15.

Council approved the use of CAHF funds for priorities established in the City's Consolidated Plan, the Housing Element of the General Plan and the Implementation Plan for the Redevelopment Agency. In each of the last two years, CAHF funds have been used to provide modest increases for public service programs to the extent that CDBG funds are not available. Because the primary purpose of the CAHF is to develop affordable housing, the City has adopted the following guideline to govern the use of CAHF funds for CDBG-eligible public services:

> *The maximum amount of CAHF funds that may be appropriated for CDBG-eligible public services in a fiscal year shall be limited to the amount of interest-earned on the CAHF in the previous year with an annual increase no greater than 5%.*

In the next five years, the City may choose to adopt additional allocation policies for the use of CAHF funds.

7. CITY GENERAL FUND

City General Funds are used to support two community programs: (1) the Landlord-Tenant Rental Dispute Program: and (2) the local 2-1-1 Call Information Program. In FY 2009-10, the City provided $61,038. The City anticipates providing $305,000 to support these programs for the period 2010-2015.

8. ESTIMATE OF TOTAL AVAILABLE FUNDS, 2010-2015

Table 1
PROJECTED CITY/RDA FUNDS AVAILABLE FOR AFFORDALE HOUSING AND COMMUNITY NEEDS, 2010-2015

Funding Source	Estimated Available Funds
Community Development Block Grant	$ 5,998,283
Home Investment Partnerships Act	$ 3,145,916
RDA Affordable Housing Set-Aside	$27,350,100
RDA Supplementary Housing Fund	$ 6,335,000
RDA Housing Rehabilitation Fund	$ 10,000
City Affordable Housing Fund	$ 500,000
City General Fund	$ 305,000
Estimated Funds Available for 2010-2015	**$43,644,299**

DESCRIPTION OF POPULATION AND EMPLOYMENT TRENDS

The type and amount of housing needed in a community are largely determined by population growth and various demographic variables. Factors such as age, race/ethnicity, occupation, and income level combine to influence the type of housing needed and the ability to afford such housing.

1. SUMMARY OF SIGNIFICANT TRENDS, 2000-2015

- Between 2000 and 2009, the City of Santa Clara experienced the third fastest population growth rate of any of the 15 jurisdictions in Santa Clara County.
- Between 2000 and 2010, the average household size increased by about 4% to 2.73 persons per household.
- "Baby boomers" demonstrate a preference for continuing to reside in the City as they approach retirement, thus restricting the turnover for existing housing and creating a need for more senior housing and services.
- Young adults are choosing to set up residence outside the City.
- By 2015, Asians are likely to pass White/Non-Hispanics as the largest racial group in the City.
- The projected number of jobs in the City in 2015 will be 16% less than the number of jobs in 2000.

2. POPULATION

According to the U.S. Census, the City's population grew 49 percent between 1960 and 1980. Since that time, constraints on available land for residential development have limited new housing development and population growth. During the 20-year period between 1980 and 2000, the City's population grew only 17 percent, from 87,700 to 102,361. More recently, the City has experienced an increase in the rate of population growth. In the year 2006, the American Community Survey (ACS) reported a population of 112,098, an increase of ten percent over 2000. During that period, the County population grew by 10.4%. Table 2 charts that population growth.

Table 2
POPULATION GROWTH AND PROJECTIONS, 1960-2015

YEAR	POPULATION	AVERAGE ANNUAL GROWTH RATE*
1960 – Actual	58,850	Not Applicable
1970 – Actual	86,118	4.6%
1980 – Actual	87,700	0.2%
1990 – Actual	93,613	0.7%
2000 – Actual	102,361	0.9%
2006 – Actual	112,098	1.6%
2010 – Projected	117,800	1.3%
2015 – Projected	124,700	1.2%

* Calculated in annual terms for growth since the year in the previous row
Source: U.S. Census, 1960-2000; ACS, 2006; ABAG Projections 2007.

The population of Santa Clara County is projected to increase by 27 percent between 2010 and 2035, compared with the City of Santa Clara's 24 percent projected growth rate during that same period.

3. HOUSEHOLDS AND HOUSEHOLD TYPES

There were approximately 41,510 households in 2005. By 2015, ABAG projects there will be 47,330 households living in the City. According to ABAG, the number of City households is expected to grow at a rate slightly less than the population. Thus, the average household size will increase slightly from the current 2.73 persons per household. The average household size in the County is 2.98.

Table 3
HOUSEHOLDS GROWTH AND PROJECTIONS, 1990-2015

YEAR	HOUSEHOLDS	AVERAGE ANNUAL GROWTH RATE*
1990 – Actual	36,545	Not Applicable
2000 – Actual	38,526	0.5%
2005 – Actual	41,510	1.5%
2010 – Projected	44,610	1.5%
2015 – Projected	47,330	1.2%

* Calculated in annual terms for growth since the year in the previous row
Source: U.S. Census, 1990-2000; ABAG Projections 2007.

More than one out four City households are single person households. That portion is higher than the 21% of County households that are single-person. Less than half the City's households include a married couple, ranking the City 14th out of the 15 jurisdictions in the County. Table 4 compares the distribution of household types in the City with the County as a whole

Table 4
CITY HOUSEHOLD TYPE COMPARED TO THE COUNTY, 2009

		TWO OR MORE PERSONS			
JURISDICTION	SINGLE PERSON	MARRIED COUPLE	FEMALE HEADED	OTHER FAMILY	NON-FAMILY
City of Santa Clara	25.7%	48.2%	9.5%	4.4%	12.0%
County of Santa Clara	21.2%	54.8%	10.3%	4.8%	8.9%

Source: Claritas 2009; CalDOF 2009.

According to the 2000 Census, 10.4% of City households have 5 or more members. For the County as a whole, 15.5% of households have 5 or more members. Demographic characteristics related to female heads of household are described in a later section

4. AGE AND GENDER OF CITY RESIDENTS

The median age of City residents increased from 33.4 in 2000 to 37.2 in 2009; the County also had a median age of 37.2 in 2009. The fastest-growing age cohorts in the City, as a percentage of the population, are children under 18 and adults between the ages of 45 and 64. The City ranks 11th among the 15 County jurisdictions in terms of percentage of residents under 18 years of age, indicating that the growth in that age group has been less than in the County as a whole.

The 45-64 age group consists of the "baby boomer" generation. The increasing proportion of baby boomers in the City in the last ten years largely represents a shift from the cohort 25-44, and indicates that many boomers have chosen to continue to live in the City as they approach retirement. That shift largely accounts for most of the rise in the median age of the City's population. Interestingly enough, the portion of the City residents between the ages of 25-44 is the 3rd highest among the 15 jurisdictions in the County. If that age group follows the trend of the last ten years, the City's population will continue to "age in residence" over the next five years. Since the 45-64 cohort has fewer children residing at home than the 25-44 age group, a continuation of that trend will likely stabilize or decrease the portion of City residents who are under 18, ending a 20-year trend.

Table 5
AGE DISTRIBUTION AND TRENDS OF CITY RESIDENTS, 1990-2009

	1990		**2000**		**2009**	
AGE	**NUMBER**	**PERCENT**	**NUMBER**	**PERCENT**	**NUMBER**	**PERCENT**
0-4	5,880	6.3%	6,688	6.5%	8,087	6.9%
5-17	11,703	12.5%	13,707	13.4%	16,760	14.3%
18-24	12,503	13.4%	11,569	11.3%	10,314	8.8%
25-44	37,344	39.9%	39,991	39.1%	40,316	34.4%
45-64	16,845	18.0%	19,506	19.1%	28,479	24.3%
65+	9,338	9.9%	10,900	10.6%	13,244	11.3%
TOTAL	**93,613**		**102,361**		**117,200**	

Source: U.S. Census 1990-2000, Claritas 2009; CalDOF 2009.

As Table 5 above indicates, the age cohort 18-24 has decreased since 1990, not just as a portion of City residents, but in absolute numbers; it is the only cohort to do so. That trend suggests that young persons find it difficult to start their life as young adults in the City of Santa Clara. The high cost of housing is likely the major contributing factor behind that trend.

In 2006, 53% of residents were male and 47% were female.

5. RACE AND ETHNICITY OF CITY RESIDENTS

The City of Santa Clara, like Santa Clara County as a whole, has a diverse population with no one race comprising a majority in 2009 has become more ethnically diverse in recent years. Race and ethnic characteristics of a population imply certain housing and community needs as some demographic and economic characteristics correlate with race. For example, the average household size for the City was 2.6 in the 2000 Census. However, the average household size for Hispanics was 3.4 and for Asian or Pacific Islanders 3.0 in 2000. These numbers reflect multi-generation families

and/or a higher number of children which may require larger units with more bedrooms. Table 6 charts the increasing racial and ethnic diversity of the City since 1990.

Table 6
RACE AND ETHNIC BREAKDOWN OF CITY RESIDENTS, 1990-2009

RACE/ ETHNICITY*	1990		2000		2009	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
White	59,754	63.8%	49,392	48.3%	45,825	39.1%
Asian**	16,802	17.9%	29,791	29.1%	44,302	37.8%
Hispanic	14,260	15.2%	16,364	16.0%	19,338	16.5%
Black	2,281	2.4%	2,237	2.2%	2,461	2.1%
Other***	516	0.6%	4,577	4.5%	5,274	4.5%
TOTAL	**93,613**		**102,361**		**117,200**	

* Hispanic is considered an ethnicity by the Census Bureau; the other three are considered races. The three races and Others do not include any persons who identified themselves as Hispanic.

** Includes Pacific Islanders, defined as a separate race by HUD beginning in 2002. In 2009, Pacific Islanders made up 0.4% of the City's population.

*** "Other" includes those who identified themselves as Native American, some other race, no race or, beginning in 2000, "two or more races." In 2009, Native Americans comprised 0.2% of the City's population

Source: U.S. Census 1990-2000, Claritas 2009.

The changing demographics of the City over the last 20 years are clearly illustrated in Table 6. In real numbers, White/Non-Hispanics have decreased by nearly 25%; Asians have more than doubled their percentage of the City's population; Hispanics continue to increase both in actual numbers and percentage of the City's population. By 2015, Asians are likely to pass White/Non-Hispanics as the largest racial group in the City.

6. MINORITY CONCENTRATIONS

Although no one race constitutes a majority in the City, racial and ethnic groups are not distributed equally throughout the City. According to HUD, "areas of minority concentration" are defined as Census Block Groups where 50% of the population is comprised of a single ethnic or racial group other than White, Non-Hispanic. In 2000, there were no Block Groups in the City that met this definition. As Map 1 indicates, there are now 12 block groups of the City with Asian concentrations of greater than 50%. That change simply reflects the growth of the Asian population in the City in the last 10 years. In contrast there are 29 Blocks Groups in the City in which 50% or more of the residents are White, Non-Hispanic. Map 1 seems to indicate that areas of Hispanic concentration are extensive in the middle of the City. Upon closer examination, that assumption proves not to be true. Most of the area of Hispanic concentration are non-residential areas, with populations of less than 10. There are only 3 Block Groups with a Hispanic concentration, two of them with Hispanic populations of less than 300.

Map 1
AREAS OF MINORITY CONCENTRATIONS IN THE CITY, 2009

Source: Caritas 2009

It is misleading to infer that areas of Asian concentration are in some way undesirable or the result of discriminatory actions. Such concentrations are simply a reflection of the portion of the City's population that is Asian.

7. EMPLOYMENT TRENDS

In 2009, the population of the City of Santa Clara represented 6.3% of all the residents in Santa Clara County. In that same year employment in the City was 11.8% of the number of employed persons in the County. Clearly, the City is one of the County's primary job generators. In 2005, 49,000 City residents were employed, 30% of whom worked in the City. In that same year, 104,920 persons worked in the City. Current ABAG projections are that 117,000 persons will be employed in the City in 2015. That number did not take into account the impact of the housing and finance crisis of the last two years. However, even if actual jobs in 2015 will be lower, the jobs-population disparity will remain. People who seek to live closer to their work will pressure the market to expand available housing of all types in the next 5 years.

The Manufacturing, Wholesale and Transportation sector accounts for the largest share of total jobs in the City, with 43%. The Financial and Professional Services (which includes Research and Development activities) and Health, Education, and Recreational sectors are the next largest sectors, accounting for 19% and 18% of all jobs, respectively. The Health, Education and Recreational sector is expected to see the largest increase in job growth during this period. These employment projections suggest a need for housing to serve a growing and diverse workforce.

8. UNEMPLOYMENT

The City of Santa Clara County has experienced significant losses of jobs in each of the last the last two economic downturns. In 2000, 131,600 persons were employed in the City. The "Dot-Com Bust" of 2000 reduced the number of persons employed in Santa Clara County to such a degree that only 104,920 were employed in the City in 2005. According to the Bureau of Labor Statistics[3], during that same time period the total number of jobs in Santa Clara County had decreased 9.4% from 971,900 to 854,200. Between 2000 and 2005, the number of jobs in the State of California increased by 12.4%. Those figures indicate that, even 5 years after the 2000 economic downturn, many of the lost jobs had still not returned to the City and the County, unlike the pattern experienced by the State of California as a whole.

At the time of this report, the nation is entering its third year of rising unemployment due to the housing and financial crisis of 2008. Table 7 shows that the rate of job losses in the first two years is significantly less than job losses that occurred after 2000. However, even prior to the current economic downturn, the number of jobs in the County was more than 10% less than that of 1999. That pattern suggests, that the unemployment rate is likely to remain high for the next 5 years, and new jobs are likely to be added slowly. Based on the City's experience after 2000, the City may be more significantly impacted by that trend.

[3] All figures in this section are from the Bureau of Labor Statistics.

Table 7
UNEMPLOYMENT, 1999-2005 & 2007-2009

AREA	CATEGORY	DEC, 1999	DEC, 2005		DEC, 2007	DEC, 2009
County	Number Employed	941.8	806.3		839.0	794.1
	% Unemployed	2.1%	4.6%		4.8%	11.5%
State	Number Employed	15,800.3	17,122.9		17,209.0	15,977.9
	% Unemployed	5.1%	5.1%		5.4%	12.4%

Note: Numbers are in 000s.

Source: Bureau of Labor Statistics.

DESCRIPTION OF HOUSING NEEDS
Characteristics of City's Housing Stock

This section addresses the physical characteristics of the housing supply in the City of Santa Clara, including type, age, size and condition. The implications of these housing characteristics with respect to housing programs are also examined.

1. SUMMARY OF SIGNIFICANT TRENDS, 2000-2015

- Between 2000 and 2009, the number of housing units in the City of Santa Clara increased at a rate twice that of Santa Clara County as a whole.
- 55% of the housing units in the City are rented, the second highest portion in the County.
- Multi-Family (5 or more units) housing is the fastest growing type of housing since 2000.
- 72% of the City's housing stock is 30 or more years old.
- 4,883 housing units occupied by lower income households are estimated to have Lead Based Paint.

2. INCREASE IN NUMBER OF HOUSING UNITS

The City is completely surrounded by the boundaries of other cities: San Jose on the north, east and south; and Cupertino and Sunnyvale on the west. In the 1990's, these factors meant that the increase in the number of housing units in the City lagged behind the rest of the County. However, in the last decade, the number of housing units in the City increased at a rate double that of the County. The primary reason for that substantial increase was the development of the Agnews West Campus, sold by the State of California for private and public development in 2000. Between 2000 and 2005, over 3,000 housing units were constructed, accounting for about half of the City's increase in housing units in the 2000's. Thus, the City's growth rate is expected to be significantly slower in the next five years.

Table 8
NUMBER OF HOUSING UNITS COMPARED TO COUNTY, 1990-2009

	Number of Housing Units				Percent Change	
JURISDICTION	**1990**	**2000**	**2004**	**2009**	**1990-2000**	**2000-2009**
City of Santa Clara	36,545	38,526	41,915	44,729	5.4%	16.1%
Santa Clara County	540,240	579,329	600,707	626,659	7.2%	8.2%

Source: U.S. Census, 1990 & 2000; CalDOF 2004; Claritas 2009.

3. HOUSING TENURE

The tenure of a community's housing stock (owner versus renter) influences several aspects of the local housing market. Tenure preferences are primarily related to household income, composition, and age of the householder. The stability of single-family residential neighborhoods is influenced by

tenure, with ownership housing evidencing a much lower turnover rate than rental housing. Housing overpayment (cost burden), while faced by many households regardless of tenure, is more prevalent among renters, because renters tend to have significantly lower incomes than homeowners, in relation to their housing costs.

The City of Santa Clara is a majority renter-occupied community, with 55% percent of households being renter-occupied in 2009[4]. That percentage is the second highest of all the jurisdictions in Santa Clara County. Only 40.6% of County households are renters.

4. HOUSING TYPE

Slightly more than half of the City's housing units are single family.

Table 9
HOUSING UNIT TYPES COMPARED TO COUNTY, 2000-2009

JURISDICTION	2000		2004		2009	
	SINGLE FAMILY*	MULTI FAMILY	SINGLE FAMILY*	MULTI FAMILY	SINGLE FAMILY*	MULTI FAMILY
City of Santa Clara	53.4%	46.3%	52.4%	47.3%	50.4%	49.6%
Santa Clara County	61.8%	34.7%	63.9%	32.8%	62.7%	34.1%

* Includes single-family detached and single-family attached.
Note: Annual percentages for both City and County do not always add up to 100%. Missing percentages represent "Mobile Homes," of which there were none in the City in 2009.
Source: U.S. Census 2000; CalDOF 2004, 2009.

In the last decade, 42% of new housing units were single-family detached homes. However, housing developments with five or more units have been the fastest growing housing type in recent years, adding over 3,000 units, an increase of 24%. This suggests an increase in higher-density, smaller, more affordable, although not necessarily subsidized, units. The higher percentage of renter-occupied than multi-family units suggests that a significant number of single-family homes are rented as well.

There are no significant concentrations or numbers of vacant and abandoned housing units in the City. The 2000 Census determined that 2.8% of the City's housing units were vacant. Of the 1,104 vacant units identified by the 2000 Census, only 141 were empty and considered unavailable for rent or sale.

5. AGE OF HOUSING STOCK

The age of housing is commonly used by housing programs as a factor to estimate rehabilitation needs in communities. Typically, most homes begin to require major repairs or have significant rehabilitation needs at 30 or 40 years of age. Approximately 72% of the City's housing stock is over 30 years old. By comparison, approximately 68% of the County's housing stock is 30 years of age or older. The median year built for City housing units was 1965; the County median is 1970. Only one City in the County has older housing stock than the City of Santa Clara.

[4] Caritas 2009.

Table 10
AGE OF HOUSING STOCK: 2009

Year Built	Number of Units	Percent of Total
1939 or earlier	1,259	2.8%
1940-1949	2,216	5.0%
1950-1959	11,169	25.0%
1960-1969	8,730	19.5%
1970-1979	7,625	17.0%
1980-1989	4,401	9.8%
1990-2000	3,438	7.7%
2000-2009	5,891	13.2%
Total	**44,729**	**100.0%**

Source: Bay Area Economics, 2009.

The age of the City's housing indicates a growing need for housing rehabilitation programs in the next five years. Based on the age of the City's housing, an estimated 10% of the City's 44,729 dwelling units are in need of repair or rehabilitation. About 44% (2,000 housing units) of those units are occupied by lower income households.

In an effort to improve overall housing conditions, the City operates a Code Enforcement program. Several departments perform the code enforcement function for the City. Identification of potential code violations occurs primarily through informal field observations, as well as complaints received from residents. The City utilizes general funds to finance code enforcement activities. In a 2005 survey of residents, code enforcement was ranked as one of the fourth highest priority need by City residents.

6. SUBSTANDARD HOUSING

Available Census data offers two indicators of housing stock deficiencies: the number of units lacking complete plumbing and kitchen facilities. The 2000 Census found that 173 units in the City lacked complete plumbing, and 297 were without kitchen facilities. It cannot be determined if any units had both deficiencies. Concerning plumbing, the rate of substandard units was slightly lower for the City than for the County. However, the substandard unit rate regarding kitchen facilities was higher in the City. In both cases, the portion of substandard units is less than 1%.

As there have been no condemnations within the City for several years and the City has an aggressive rehabilitation program, there are no known residential units in need of replacement.

7. OVERCROWDING

Overcrowding is generally defined as a housing unit where the number of occupants is greater than the number of rooms. Typically, overcrowding occurs because a household is unable to afford a larger

residence. According to the 2000 Census, 9.8% of the City's households were large families, defined as 5 or more persons. The Housing Element estimates that 1,843 households are living in overcrowded conditions.

Most (92.5%) of this overcrowding occurs in rental housing. Most of the City's rental housing (84%) consists of one and two bedroom units. The mean number of bedrooms is 1.64 per rental housing unit. Over 7.5% of rental housing units have more than 1 occupant per room compared to less than 1% overcrowding in owner-occupied housing. The City Building Inspection Division conducts triennial inspections of all residential buildings of three or more units for compliance with State Housing and Building Code requirements. This inspection program includes an assessment of possible overcrowding, based on State Code requirements.

8. LEAD-BASED PAINT HAZARDS

Lead poisoning remains the number one environmental hazard to children in America today. Approximately 434,000 children across the U.S. aged one to five years have lead blood levels greater than the Center for Disease Control (CDC) recommendations. Lead poisoning causes IQ reductions, reading and learning disabilities, decreased attention span and hyperactivity and aggressive behavior. Several factors contribute to higher incidences of lead poisoning:

- Children under two are especially vulnerable
- Low Income children are eight times higher risk for lead poisoning than wealthy children
- Black children have five times higher risk than White children
- Hispanic children are twice as likely as White children to have lead poisoning
- Children in older housing are at higher risk
- Up to 50 percent of children in distressed neighborhoods have some level of lead poisoning

Lead-based paint (LBP) is a major source of lead poisoning. Starting in 1978, the use of all lead-based paint on residential property was prohibited. National studies estimated that 75 percent of all residential structures built prior to 1978 contain LBP and that older structures have the highest percentage of LBP. The age of the housing stock is the key variable for estimating the number of housing units with lead-based paint. In assessing the potential LBP hazard of these older structures, several factors must be considered. First, not all units with lead-based paint have lead-based paint hazards. Only testing for lead in dust, soil, deteriorated paint, chewable paint surfaces, friction paint surfaces, or impact paint surfaces provides information about actual hazards. Properties more at risk than others include:

- Deteriorated units, particularly those with leaky roofs and plumbing
- Rehabilitated units where there was not a thorough cleanup with high-phosphate wash after the improvements were completed

County Health has identified "hot spots" that are likely areas of significant incidents of lead poisoning and tracks the geographic distribution of lead-poisoning cases in the County. Based on three indicators, poverty, population under age six, and pre-1950 housing, the Health Department has identified seven census tracts in the City as "Lead Hot Zones", where instances of lead-based paint

poisoning are more likely to occur; no cases have been reported in three of those zones since 1992. An estimated 4,883 housing units occupied by lower income housing may contain LBP.

Table 11
NUMBER OF HOUSING UNITS WITH LEAD-BASED PAINT OCCUPIED BY LOWER INCOME HOUSEHOLDS

Year Units Built	No. of Units Occupied by Lower Income Households			Estimated Percent Units with LBP[2]	Estimated No. of Units with LBP and Occupied by Lower Income Households		
	Extremely Low (0-30% AMI)[1]	Very Low (31-50% AMI)	Low (51-80% AMI)		Extremely Low (0-30% AMI)	Very Low (0-50% AMI)	Low (51-80% AMI)
Before 1970	650	1,794	4,068	75%	**487**	**1,345**	**3,051**

[1] Owner-occupied units for extremely low income group not available. Figure includes only rental units.
[2] Based upon national studies.
Source: HUD CHAS Data, 2003.

DESCRIPTION OF HOUSING NEEDS
Housing Costs and Affordability

This section addresses the cost of housing, the number and characteristics of lower income households, and the gap between the availability and affordability of housing for those households. The implications of these housing characteristics with respect to housing programs are also examined.

1. SUMMARY OF SIGNIFICANT TRENDS, 2000-2015

- The HUD Rent Limits have not changed since 2003 and are likely to show little or no increase through 2015.
- The San Jose MSA remains one of the nation's least affordable housing markets, although the percentage of households that can afford a median priced home is at a historical high.
- The maximum affordable rents for Low Income Households exceeds the current median market rents. Exception: rental units with 3 or more bedrooms.
- The City projects that its five year housing needs for lower income housing needs are:
  1. 3,687 households need more affordable housing.
  2. 2,207 new affordable housing units.
  3. 1,968 housing units need rehabilitation.
- Large families and elderly renter households are the two household types with the highest housing need.

2. HUD INCOME CATEGORIES

For purposes of housing and community development resource programming, HUD has established different income levels based on the Median Family Income (MFI). Those definitions are applied to the Area Median Income (AMI) for a given Metropolitan Statistical Area (MSA). Table 12 details the income category definitions, and the maximum, annual household income for each category, for the San Jose-Sunnyvale-Santa Clara MSA.

There are three income categories defined by HUD. The terminology of the categories differs between the CDBG and HOME Programs. (1) CDBG defines 51-80% of AMI as "moderate income" and HOME defines it as "low income" (LI); (2) CDBG defines 31-50% of AMI as "low income" and HOME defines it as "very low income" (VLI); (3) both programs define 0-30% as "extremely low income" (ELI). The CDBG and HOME programs are not available for households above 80% of AMI. For purposes of this report, the HOME category names will be used whenever the CDBG or HOME Income limit categories are discussed. The term "lower income" will be used for all households at or below 80% AMI. Some of the housing programs funded by the Redevelopment Agency Affordable Housing Fund are available for Middle Income households, up to 120% AMI.

Table 12
HUD INCOME GUIDELINES, 2009

Income Category	% of Area Median Income	Maximum Household Income Based on Household Size by Income Group Category					
		1	2	3	4	5	6
Extremely Low Income	0-30%	$22,300	$25,500	$28,650	$31,850	$34,400	$36,950
Very Low Income	31-50%	$37,150	$42,450	$47,750	$53,050	$57,300	$61,550
Low Income	51-80%	$59,400	$67,900	$76,400	$84,900	$91,650	$98,450

Source: HUD Income Limits, 2009.

The HUD Income Limits have not changed since 2003. The City projects that the limits may not change in the next 5 years. In 2003, based on 2000 Census data, HUD learned that its annual median income adjustments had calculated an AMI in excess of that determined by the Census. In response, HUD "grandfathered" its "calculated" AMI, until the "actual" median income exceeded the calculated 2003 AMI of $105,500 for a household of four. When it published the 2009 Income Limits, HUD noted that the actual AMI for a household of four was $102,500. The 2010 actual Income Limits will be based on 2008 data, the first year of the current economic downturn. The last two years of economic slowdown and recession have likely decreased the AMI. It will take several years to recover that loss and rise to an AMI greater than that of 2003.

The Income Limit "freeze" has significantly impacted existing projects. The financial feasibility of a proposed housing development is based on a projection of revenues and expenses 10 or more years into the future. That projection assumes a modest increase in affordable rents to off set similar increases in costs. The maximum rent for an affordable housing project is based on the AMI. Thus, rents cannot be increased, creating a financial burden for affordable housing projects to meet growing costs with stagnant revenues.

3. LOWER INCOME HOUSEHOLDS, BY FAMILY TYPE AND GEOGRAPHY

By 2015, the City's Housing Element projects that there will be 5,344 ELI, 5,037 VLI and 4,648 LI households. Thus, the total number of lower income households is projected to be 15,029, or 31.8% of the total households in the City.

For the City as a whole, 1,396 households (5.3%) are below the poverty level, slightly less than the County percentage of households living in poverty. The U.S. Census Bureau defines an area of concentrated poverty as a block group in which more than 20% of the residents live below the national poverty. There are no block groups in the City of Santa Clara that meet that definition.

There is a significant concentration of lower income persons when one looks at household type.[5] City residents are slightly more likely to be lower income than the County as a whole. Elderly households living in the City are significantly more likely to be lower income than the senior households in the County, but are slightly less likely to be below the poverty level.

[5] Definitions of Household Types: (a) Elderly household: 1-2 person household, one of whom is 62 years old or older; (b) Small Family: 2-4 related members; (c) Large Family: 5 or more related members.

Table 13
PERCENT OF HOUSEHOLDS, BY TYPE, THAT ARE LOWER INCOME, COMPARED TO THE COUNTY, 2000

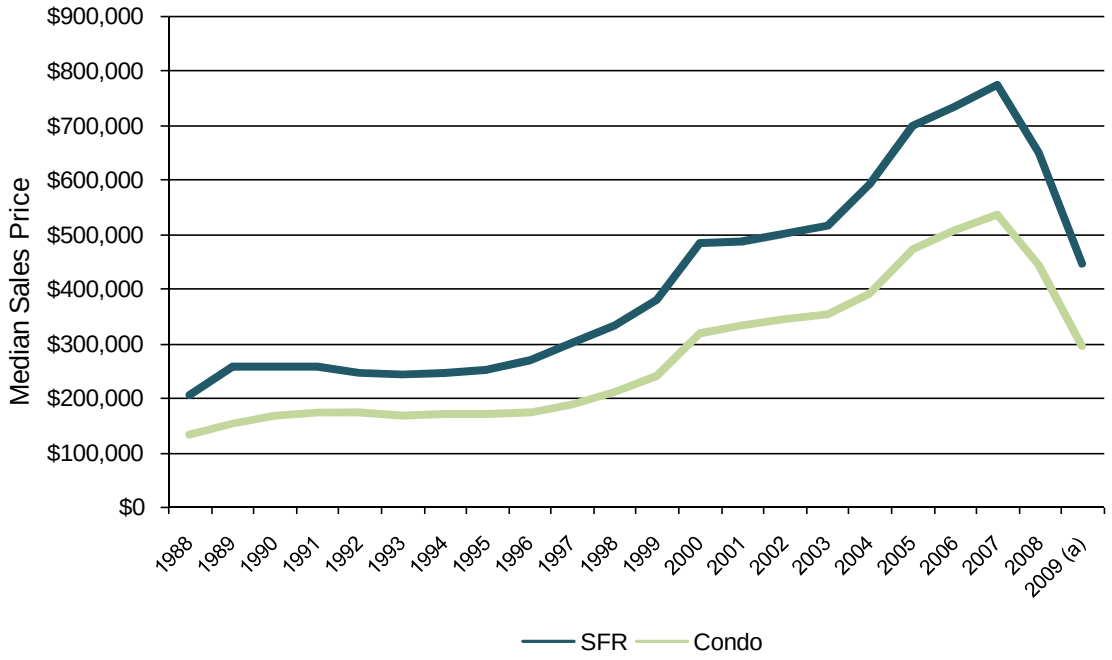
JURISDICTION	ELDERLY	SMALL FAMILY	LARGE FAMILY	ALL OTHERS	TOTAL ALL HOUSEHOLDS
City of Santa Clara	62.7%	21.8%	32.9%	27.9%	31.8%
County of Santa Clara	53.5%	21.8%	34.3%	29.1%	30.5%

Source: HUD Comprehensive Housing Affordability Strategy special tabulation from Census 2000.

4. OWNERSHIP HOUSING COSTS

Up until 2008, the City of Santa Clara, like the rest of the County, has experienced over three decades of escalating home prices well above that of national trends. The primary dynamic behind this long-term trend has been the excess of jobs as compared to population. In 2000, the County had 1,044,130 jobs and a population 1,682,585. In the City, the disparity was even greater, as there were 131,690 jobs and a population of 102,361. In 2000, 57,504 residents (56.2% of the City's population) were in the labor force. Thus, less than half the jobs in the City could be filled by City residents. Such a disparity was obviously reflected in the skyrocketing cost of housing.

Table 14
MEDIAN SALES PRICE SANTA CLARA COUNTY, 1988-2009



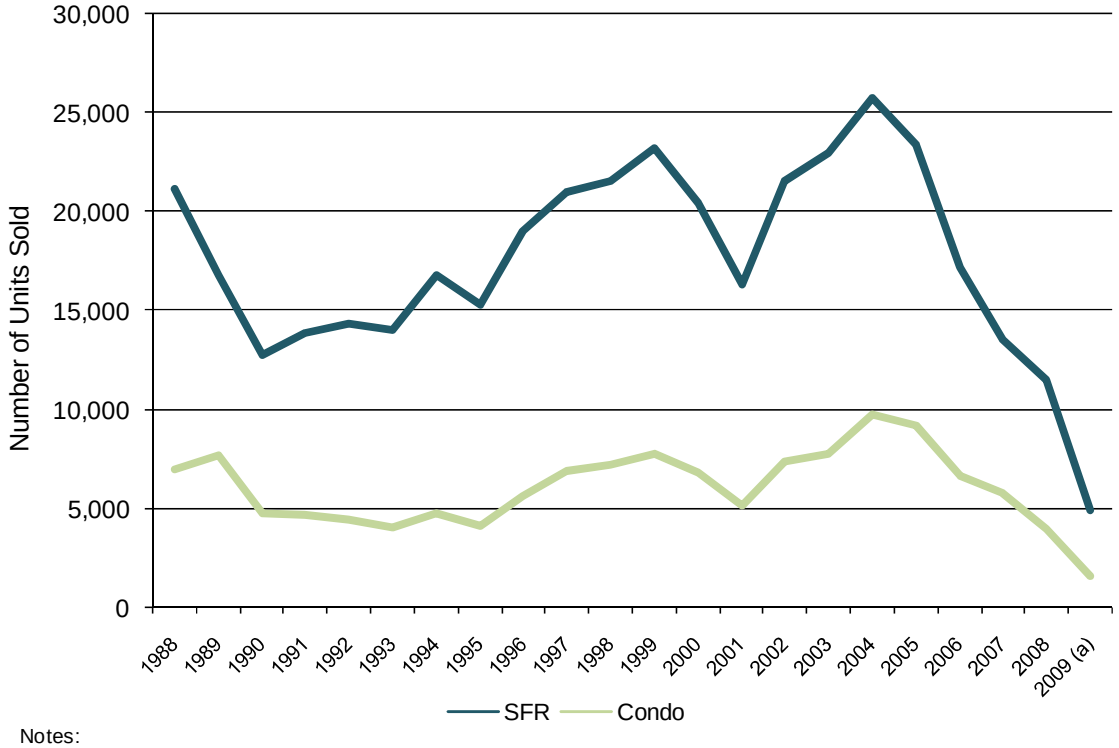
Notes:
(a) 2009 data includes January to May 2009.
Sources: DataQuick, 2009; BAE, 2009.

Since 2007, two market factors have driven down the median price of a home in the City: (1) a further decrease in the jobs to housing disparity; and (2) the increased number of bank-owned

properties available for sale. The median price of a single family home in the City was $733,000 in July, 2007. Within two years, the median price had dropped 30.9%, to $509,500. During that same period, the median price of condominiums dropped 29.3%, from $505,500 to $357,000 Since the middle of 2009, the median price has increased by 7%.

Typically, market prices rise when supply is short. However, based on sales volume, the number of houses on the market has declined precipitously since 2007 yet prices have declined steeply. A closer examination of sales volume, as indicated by Table 15, shows that sales volume begin to decline sharply after 2005, two years before prices began their sharp drop.

Table 15
SALES VOLUME SANTA CLARA COUNTY, 1988-2009



Notes:
(a) 2009 data includes January to May 2009.
Sources: DataQuick, 2009; BAE, 2009.

Clearly, the decline in sales since 2005 represents two radically different markets, two years of rapid increase in median price and two years of unprecedented decrease in median price. The reason is the national housing crisis that began in 2008.

5. OWNERSHIP AFFORDABILITY

The San Jose MSA has been among the least affordable areas in the nation for more than 3 decades. The National Association of Home Builders (NAHB) has developed a Housing Opportunity Index (HOI) for a given area that is defined as the share of homes sold in that area that would have been

affordable to a family earning the median income. Every quarter, the National Association of Home Builders (NAHB) tracks the ability of households to afford a home in almost 300 metropolitan areas across the country. As the HOI Index drops, lower income families are most acutely affected. Table 16 tracks the HOI from 2000 to 2009, with the low and high index points in that period. Despite its relatively high 45.5% HOI in the fourth quarter of 2009, the San Jose MSA remains as one of the least affordable metropolitan areas in the country.

Table 16
HOUSING OPPORTUNITY INDEX SAN JOSE MSA, 2000-2009

	Qtr 4 2000	Qtr 2 2007	Qtr 1 2009	Qtr 4 2009
Housing Opportunity Index	12.1%	12.8%	61.5%	45.5%
Median Price	$469,000	$670,000	$373,000	$465,000
Median Income	$ 87,000	$ 94,500	$102,500	$102,500

Source: NAHB 2010

Currently, 45.5% of the households in Santa Clara County can afford a median price home. Nationwide, that figure is 70.8%. Those historically high levels have been bolstered by favorable interest rates and low house prices, both of which are likely to rise over the next 5 years.

6. RENTAL HOUSING COSTS AND AFFORDABILITY

The City of Santa Clara is a majority renter-occupied community, with approximately 55 percent of its households being renters. The high cost of homeownership has priced households with incomes under 80% of AMI out of the homeownership market. Less than 5% of households using the City's first-time homebuyer programs have incomes under 80% AMI. Even the historically high HOI does not see many lower income renters becoming homeowners, as reflected by the low sales volume and their small numbers in the City's affordable housing program.

Stimulated by the booming economy in the late 1990's, median rents increased almost 60% between 1993 and 1999. Since then, rents for one and two bedroom apartments have declined, while they have risen for studios and three bedroom units. Seniors and large families are more likely to rent studios and 3-bedroom apartments.

Table 17
COMPARISON OF MEDIAN MARKET RENTS, 1999-2010

UNIT SIZE	1999 MEDIAN RENT	2004 MEDIAN RENT	2010 MEDIAN RENT
0-Bedroom (Studio)	$ 853	$ 894	$ 948
1-Bedroom	$1,319	$1,155	$1,114
2-Bedroom	$1,537	$1,414	$1,315
3-Bedroom	$1,693	$1,624	$1,888

Source: Realfacts; HUDUser 2010

Table 18 shows that the maximum affordable rents for Low Income Households are greater than the median market rents, except for 3+ bedroom rental units. Thus, in the current market, no subsidy is

required to make rents affordable to Low Income Households. In fact, since 2005, that same market fact has been true.

Vacancy rates play a central role in establishing the market rental cost. The vacancy rate typically follows economic trends. In general, a vacancy rate of at least five percent assures that consumers have adequate choices when looking for housing. At that rate, vacant units are available to facilitate mobility and property owners should be able to increase rents moderately without placing undue burden on tenants. When vacancy rates drop below five percent, the increased demand and reduced supply allow rental rates and housing prices to rise disproportionately to household income. In 2007, the most recent City Rental Vacancy Survey determined that the City's vacancy rate was 4.4%. The vacancy rate for Santa Clara County was 5.3% in the fourth quarter of 2009.[6]

Table 18
COMPARISON OF MEDIAN RENTS WITH AFFORDABLE RENT LEVELS, 2010

Unit Size	2010 Median Rent	LI (50-80% AMI) Affordable Rent	VLI (30-50% AMI) Affordable Rent	ELI (Under 30% AMI) Affordable Rent
Studio	$ 948	$1,059	$874	$504
1 Bedroom	$1,114	$1,201	$990	$558
2 Bedroom	$1,315	$1,345	$1,108	$613
3 Bedroom	$1,888	$1,488	$1,224	$696

Source: HUDUser; California Department of Housing & Community Development

Except for several HOME projects targeting special needs population, affordable rental projects subsidized by the City have set affordable rents at LI and VLI levels. At the VLI Affordable Rent, an ELI household would have to spend more than 50% of its income for housing. That effect has been mitigated by the fact that, over the last ten years, non-profit owners of rental housing in the City have consistently kept their rents 10-20% below the affordable levels for VLI, even for those units that are only required to be affordable to LI. Rents in these projects are affordable typically at 35-40% of AMI or less.

7. ESTIMATES OF CURRENT HOUSING NEEDS

There are three elements that comprise the City's current housing needs. First, existing residents who are experiencing housing problems, the most significant of which is the cost of their housing. A total 3,503 lower income households in the City paid more than 50% of their income for housing in 2000. Of that number 3,251 were renters. Of those renters, 2,085 were ELI and 915 were VLI. Using ABAG projections, but not factoring higher unemployment, those numbers will have increased by 23% by 2015, so that an estimated 3,687 ELI and VLI households will be paying more than 50% of the income for rental housing. Table 20 provides further details regarding households experiencing housing affordability and other problems.

[6] Mercury News, 1/20/2010.

The second element is the Regional Housing Needs Allocation (RHNA) for the City of Santa Clara. RHNA is a process triggered by the State's determination of the number of housing units which must be provided to meet the regional need. ABAG then allocates the regional need among local governments in the region. The final RHNA allocation for the City was published on March 20, 2008. Table 19 summarizes the City's RHNA allocation by income category.

Table 19
CITY's RHNA ALLOCATION COMPARED TO COUNTY, 2008

JURISDICTION	ELI (Under 30% AMI)	VLI (30-50% AMI)	LI (50-80% AMI)	TOTAL Lower Income	MODERATE (80-120% AMI)
City of Santa Clara	646	647	914	2,207	1,002
Santa Clara County	6,939	6,939	9,567	23,445	11,007

Source: ABAG

Note: The ELI category is not included in the RHNA. However cities are charged with addressing the housing needs of this population in the Housing Element. ABAG allows the City to assume that half of the VLI households qualify as ELI.

All of these units will be produced through new construction. Although the City will rehabilitate homes, such upgrades can only be counted towards the RHNA goals if they meet the definition of "substantial rehabilitation" under the California Government Code.

The third element is housing in need of rehabilitation. The age of the City's housing indicates a growing need for housing rehabilitation programs in the next five years. Based on the age of the City's housing, approximately 10% of the City's 44,729 dwelling units are in need of repair or rehabilitation. The City estimates that 44 percent of those units are occupied by lower income households. Thus, 1,968 housing units occupied by lower income households are in need of some level of repair.

The estimated cost of meeting these needs is:

- More affordable housing @ $200,000 per housing unit = $737,400,000.
- New Construction @ $400,000 per housing unit = $882,800,000.
- Rehabilitation @ $25,000 per housing unit = $49,175,000.

The total cost to provide affordable, safe and sanitary housing for the City's lower income households is estimated to be $1,669,375,000. Assuming the City is able to maintain a leverage ratio of 5 dollars for every City dollar, the total amount of City funding to meet all the City's affordable housing needs is $278,229,000. The City projects its available funding for housing in the next five years will be $39,600,000, or 14% of the need.

8. DISPROPORTIONATE HOUSING NEEDS

Disproportionate housing need refers to any need that is more than 10 percentage points above the percentage of housing problems demonstrated for the all households. For example, 81.3% of large renter families (a subset of renter households) experienced housing problems, compared to 47.6% of all renter households and 38.7% of all households. Thus, large families that are renting have a disproportionate need for housing assistance.

Table 20
HOUSING PROBLEMS BY HOUSEHOLD TYPE AND INCOME, 2000

Name of Jurisdiction: **Santa Clara City, California**	Source of Data: CHAS Data Book	Data Current as of: 2000

Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly 1 & 2 member households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly 1 & 2 member households (F)	Small Related (2 to 4) (G)	Large Related (5 or more) (H)	All Other Households (I)	Total Owners (J)	(L)
1. Household Income <=50% MFI	1,423	1,764	639	1,753	5,579	1,909	466	129	363	2,867	8,446
2. Household Income <=30% MFI	958	889	214	1,005	3,066	874	149	10	249	1,282	4,348
3. % with any housing problems	80.7	86.5	100.0	80.6	83.7	46.2	86.6	100.0	81.9	58.3	76.2
4. % Cost Burden >30%	79.9	83.8	83.6	78.6	80.9	46.2	86.6	100.0	80.3	58.0	74.1
5. % Cost Burden >50%	55.8	74.8	67.3	73.6	68.0	31.9	86.6	100.0	76.3	47.4	61.9
6. **Household Income >30% to <=50% MFI**	465	875	425	748	2,513	1,035	317	119	114	1,585	4,098
7. % with any housing problems	73.1	91.4	92.9	88.0	87.3	26.1	74.8	70.6	69.3	42.3	69.9
8. % Cost Burden >30%	73.1	85.1	64.7	86.6	79.9	26.1	70.3	62.2	69.3	40.8	64.8
9. % Cost Burden >50%	35.5	37.1	5.9	53.3	36.4	14	55.2	46.2	43.9	26.8	32.7
10. **Household Income >50 to <=80% MFI**	209	1,060	350	720	2,339	690	454	129	170	1,443	3,782
11. % with any housing problems	59.3	77.4	88.6	75.0	76.7	23.9	43.8	76.7	67.6	40.1	62.7
12.% Cost Burden >30%	52.2	52.8	27.1	70.8	54.5	23.9	43	69	67.6	39.1	48.6
13. % Cost Burden >50%	16.7	5.2	0.0	17.4	9.2	12.3	9.9	26.4	32.4	15.2	11.5
14. Household Income >80% MFI	419	6,079	939	5,405	12,842	2,099	7,360	1,600	2,380	13,439	26,281
15. % with any housing problems	17.7	30.3	69.1	14.2	25.9	9.0	20.9	44.4	25.2	22.6	24.2
16.% Cost Burden >30%	9.3	7.7	2.6	10.6	8.6	8.8	17.3	10.3	24.2	16.4	12.6
17. % Cost Burden >50%	0.0	0.1	0.4	0.8	0.4	2.1	2.0	0.9	2.3	2.0	1.2
18. **Total Households**	2,051	8,903	1,928	7,878	20,760	4,698	8,280	1,858	2,913	17,749	38,509
19. % with any housing problems	63.9	47.5	81.3	35.2	47.6	21.9	25.4	48.6	34.3	28.4	38.7
20. % Cost Burden >30	61.1	28.3	29.7	32.0	33.1	21.8	22.0	18.2	33.3	23.4	28.6
21. % Cost Burden >50	35.8	11.8	9.0	16.6	15.7	11.8	6.0	6.1	12.0	8.5	12.4

Abbreviation: Hhds = Households.

Note: Data presented in this table is based on special tabulations from sample Census data. The number of households in each category usually deviates slightly from the 100% count due to the need to extrapolate sample data out to total households. Interpretations of this data should focus on the proportion of households in need of assistance rather than on precise numbers.

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Databook, 2000.

Table 20 on the preceding page focuses on residents who are experiencing housing problems. The Comprehensive Housing Affordability Strategy (CHAS) developed from the 2000 Census for HUD provides detailed information on housing problems by tenure, household type and income category. Thus, it can help identify disproportionate housing needs of certain categories of City residents. Detailed CHAS data based on the 2000 Census is displayed in Table 20. Based on CHAS, housing problems include: 1) units with physical defects (lacking complete kitchen or bathroom); 2) overcrowded conditions (housing units with more than one person per room); 3) housing cost burden, including utilities, exceeding 30 percent of gross income; or 4) severe housing cost burden, including utilities, exceeding 50 percent of gross income. The types of problems vary according to household income, type, and tenure. Households may experience multiple problems. Cost burden, however, stands out as the predominate housing problem for lower income households.

Extremely Low Income Households (0-30% AMI): 76.2% of ELI households experienced one or more housing problems as compared to 38.7% of all households. ELI renters (83.7%) experienced a higher rate of problems than VLI owners (58.3%). All large family ELI households experienced at least one housing problem. Only elderly owner households (46.2%) did not meet the standard for disproportionate housing need in this income category.

Very Low Income Households (30-50% AMI): 69.9% of all VLI households experienced one or more housing problems compared to 38.7% of all households. VLI renters (87.3%) experienced a higher rate of problems than VLI owners (58.3%). Large (92.9%) and small (91.4%) renter families experienced the highest level of problems based on household type. Again, only elderly owner households (26.1%) did not meet the standard for disproportionate housing need in this income category.

Low Income Households (50-80% AMI): 62.7% of all LI households experienced housing problems as compared to 38.7% of all households. LI renters (76.7%) experienced a higher rate of problems than LI owners (40.1%). Large renter families (88.6%) experienced the highest level of problems based on household type. No owner households, regardless of household type, experienced a disproportionate housing need in this income category.

Large Families (5 or more related persons): 65.2% of all large families experienced housing problems as compared to 38.7% of all households. Large renter families (81.3%) experienced a higher rate of problems than large owner families (48.6%). Large renter families (88.6%) experienced the highest level of problems based on household type. Large renter households have unique housing needs due to the lack of adequately sized, affordable housing. As a result, large households are most likely to live in overcrowded conditions. This disproportionate housing need illustrates that the City has a need not only for affordable rental units with three or more bedrooms, but for large apartments regardless of income level.

Small Families (2-4 related persons): 47.5% of all small families experienced housing problems as compared to 38.7% of all households. However, lower income small renter families, experienced disproportionate housing need (84.6%), regardless of their income category. 86.5% of ELI small renter families, 91.4% of VLI small renter families, and 77.4% of LI small renter families experienced problems.

Elderly Households (1-2 persons): 34.7% of all elderly households experienced housing problems as compared to 38.7% of all households. However, elderly renter households (63.9%) experienced a higher rate of problems than elderly owner households (21.9%). 80.7% of ELI elderly renter households, 73.1% of VLI elderly renter households, and 59.3% of LI elderly renter households experienced problems. Among this group, affordability was, by far, the most significant problem. A total of 734 elderly renter households paid more that 50% of their income for housing.

Table 21
HOUSING PROBLEMS BY HOUSEHOLD INCOME AND RACE/ETHNICITY, 2000

HH Income % w/housing problems	*White*	*Black*	*Hispanic*	*Asian*	*Native American*	*Pacific Islander*	*Total (a)*
HH Income <= 30% AMI	**2,425**	**129**	**614**	**950**	**29**	**20**	**4,348**
% w/housing problems	75.3%	69.8%	74.1%	79.5%	86.2%	100.0%	76.2%
HH Inc >30 & <=50% AMI	**2,435**	**124**	**640**	**695**	**20**	**10**	**4,098**
% w/housing problems	62.0%	84.7%	75.8%	87.8%	100.0%	100.0%	69.9%
HH Inc >50 & <=80% AMI	**1,920**	**122**	**814**	**715**	**0**	**15**	**3,782**
% w/housing problems	52.6%	81.1%	69.3%	76.9%	N/A	100.0%	62.7%
HH Income >80% AMI	**15,070**	**484**	**2,439**	**7,350**	**58**	**68**	**26,281**
% w/housing problems	16.8%	21.7%	36.5%	35.4%	31.0%	35.3%	24.2%
Total Households	**21,850**	**859**	**4,507**	**9,710**	**107**	**113**	**38,509**
% w/housing problems	31.5%	46.4%	53.1%	46.5%	58.9%	61.1%	38.7%

(a) Totals include other race/ethnic groups
Sources: HUD, State of the Cities Data System, CHAS special tabulations from 2000 Census.

Table 21 demonstrates that lower income households are more likely to experience housing problems, regardless of race/ethnicity. A higher portion of all minority groups experience housing problems than White, non-Hispanics. Much of the difference can be explained by the percent of each group who are homeowners. In 2000, 57% of White households owned their, home, as compared to 36% of Asians, 35% of Hispanics and 24% of Blacks.[7] Thus, minorities are more likely to be renters. As Table 20 indicated, renters experience a significantly high percentage of housing problems as compared to owners. Table 30 indicated that Blacks and Hispanics are twice more likely to reside in City subsidized housing than their proportion of the City's population.

9. FIVE YEAR HOUSING NEEDS AND PRIORITIES HUD TABLE 2A

Table 22, below, summarizes the City's Housing Needs for households with an annual income less that 80% of AMI, described in this document as lower income households. The City projects that its five year housing needs for lower income housing needs are:

- 4,467 households need more affordable housing.
- 2,207 new affordable housing units.
- 1,968 housing units need rehabilitation.

[7] City of Santa Clara, "Analysis of Impediments to Fair Housing, " 2007.

Table 22 (HUD Table 2A)
FIVE YEAR HOUSING NEEDS AND PRIORITIES

		Income	Priority Need Level	Unmet Need	Goals
Renter	Small Related	0-30% AMI	HIGH	665	130
		31-50% AMI	HIGH	325	63
		51-80% AMI	LOW	55	0
	Large Related	0-30% AMI	HIGH	145	27
		31-50% AMI	HIGH	25	5
		51-80% AMI	MEDIUM	0	0
	Elderly	0-30% AMI	HIGH	535	236
		31-50% AMI	HIGH	165	74
		51-80% AMI	LOW	35	0
	All Other	0-30% AMI	HIGH	740	26
		31-50% AMI	HIGH	400	14
		51-80% AMI	LOW	125	0
Owner	Small Related	0-30% AMI	HIGH	129	0
		31-50% AMI	HIGH	175	5
		51-80% AMI	HIGH	45	12
	Large Related	0-30% AMI	LOW	10	0
		31-50% AMI	HIGH	55	1
		51-80% AMI	HIGH	34	3
	Elderly	0-30% AMI	HIGH	279	165
		31-50% AMI	HIGH	145	84
		51-80% AMI	HIGH	85	51
	All Other	0-30% AMI	HIGH	190	0
		31-50% AMI	MEDIUM	50	0
		51-80% AMI	LOW	55	0
Special Needs Populations		0-80% AMI	HIGH	(1)	0
(1) Included in numbers above.			Total Goals		0
Section 215 Rental Goals[8]		575	Section 215 Owner Goals[9]		321

Goals are expressed in Housing Units made affordable through new construction, acquisition of market rate units, rehabilitation of units occupied by lower income households, or rental subsidies.

[8] An Affordable Rental Unit is considered a Section 215 Unit if it is occupied by a household earning no more than 80% of AMI and if the rent is the lesser of the Section 8 Fair Market Rent or 30% of the Annual Income for a household earning 65% of AMI.

[9] An Owner Unit is considered a Section 215 Unit if: (1) it is purchased as the principal residence by a first-time homebuyer earning 0-80% of AMI and the sales price does not exceed HOME Program limits or (2) It is owned and occupied by a household 0-80% AMI, the unit is to be rehabilitated, and the value of the unit after rehabilitation does not exceed HOME Program limits.

DESCRIPTION OF HOUSING NEEDS
Special Needs Populations

This section addresses the housing needs of certain vulnerable populations, termed here as Special Needs Populations. The CDBG Program presumes that certain categories of persons are lower income: elderly persons (62 & older), severely disabled adults, abused children, battered spouses, persons living with AIDS/HIV, migrant farm workers and illiterate adults. This section discusses housing needs of those populations. In addition, the City has determined that ELI households, large families, at-risk youth and female-headed households are Special Needs Populations at-risk of homelessness. They are discussed in the section "Description of Community Needs: Homeless and Near Homeless" along with homeless persons, who are also presumed lower income by HUD.

1. SUMMARY OF SIGNIFICANT TRENDS, 2000-2015

- 2,051 elderly households who are renters, experience a high rate of housing problems.
- The City has six affordable, senior housing projects with 643 housing units.
- Shared housing assists 25-30 elderly households per year.
- Over 36% of disabled adults in the City, aged 16-64, are unemployed.
- 14,915 City residents have one or more life-impairing disability.
- 90% of victims of domestic violence are extremely low income.

2. ELDERLY PERSONS (62 & OLDER)

Many elderly residents face a unique set of housing needs, largely due to physical limitations, lower household incomes, and health care costs. Smaller unit sizes and accessibility to transit, health care, and other services are important housing concerns for this population. Housing affordability also represents a key issue for seniors, many of whom are living on fixed incomes.

In 2000, the Census identified 6,749 households where at least one member was 62 years of age and older. In the last decades, the number of households living in the City has increased by 16.8%. In that same period, adults between the ages of 45-64, as a percentage of the City's population, was the fastest growing age cohort. Since this group as shown a predilection for remaining in the City into their retirement years, it is likely that elderly households will continue to grow at a faster rate than the City's household growth rate. By 2015, the number of elderly households will approach 9,000.

Just under 70% of the City's elderly households live in and own their homes. This group has the lowest rate of housing problems of any household type. However, the 40% of this group who are ELI or VLI do have limited income that makes it difficult to engage in costly repairs to their aging homes. It is this sub-group of elderly homeowners that is the primary beneficiary City's homeowner rehabilitation (NCIP) program.

The 2,051 elderly households who are renters, experience a high rate of housing problems (63.9%), the vast majority of whom are paying more than 50% of their income in rent. This problem effects all lower income elderly households, but is especially acute in ELI and VLI households. This issue is a countywide problem, as evidenced by the number of participants in the Consolidated Plan Workshops who indicated a need for additional affordable senior housing facilities, citing the long waiting lists at existing subsidized senior developments. The City has six affordable, senior housing projects with 643 housing units. Waiting lists for these facilities range from 2-4 years. A new development, with a proposed 162 senior apartments, is expected to be completed by 2015.

The next step on the continuum of care for seniors is the 17 facilities in the City that provide supportive housing for seniors and disabled adults over the age of 55. These facilities are licensed by the State of California and range from assisted living facilities that provide basic life support activities such as food preparation and housekeeping to nursing homes that provide on-site medical care. Most of the facilities can care for non-ambulatory seniors. Table 23 summarized the licensed community care facilities for the elderly.

Table 23
LICENSED COMMUNITY CARE FACILITIES FOR THE ELDERLY

Type of Facilities	Number of Facilities	**Number of Beds**	**Non-Ambulatory Beds**
Assisted Living	14	83	67
Nursing Homes	3	443	443
Total	**17**	**526**	**510**

Notes:
1. Assisted Living Facilities provide assistance in food preparation, housekeeping, transportation and similar life support activities. Nursing Homes provide in-house medical care.
2. Non-Ambulatory beds are maximum number of persons who need assistance or assistive devices.

Source: State of California Department of Social Services Community Care Licensing Division, April, 2009.

To meet these special needs, the City has supported the development of shared senior housing. Two shared housing residences, housing eight seniors, currently exist in the City. A HOME/RDA funded project is expected to add a third house in 2010-11. Finally, a public service agency, supported with RDA funds, matches frail seniors with younger persons who can provide in-home assistance with household tasks such as cleaning and cooking. This agency creates 15-20 shared housing relationships each year.

3. PERSONS WITH DISABILITIES

A disability is a physical or mental impairment that limits one or more major life activities.[10] Persons with a disability generally have lower incomes and often face barriers to finding employment or adequate housing due to physical or structural obstacles. While 32% of all City of Santa Clara households are lower income, 51% percent of households with one or more disabled members are lower income. Persons with disabilities often live on Social Security or rely on additional income from family or other sources. The U.S. Census indicated that approximately 36% of the disabled

[10] According to the Americans with Disabilities Act, major life activities include seeing, hearing, speaking, walking, breathing, performing manual tasks, learning, caring for oneself, and working.

population in the City was unemployed in 2000, when the unemployment rate was half of what it is in 2010.

This segment of the population often needs affordable housing that is located near public transportation, services, and shopping. Persons with disabilities may require units equipped with wheelchair accessibility or other special features that accommodate physical or sensory limitations. Depending on the severity of the disability, people may live independently with some assistance in their own homes, or may require assisted living and supportive services in special care facilities.

Disabled adults seeking to live independently face several problems. Many need support services to both learn independent living skills and ongoing assistance to meet the basic needs of life. Over one third of disabled adults are unemployed. Extremely high percentages of such households, particularly disabled elderly and renter households, pay large proportions of their incomes for housing and/or live in housing that does not meet their needs.

In 2000, the U.S. Census reported that 14,915 residents (16 percent of the City's population) reported one or more disabilities. The Census Bureau defines disabilities into six functional categories. Table 24 states the number of City residents who declared each type of disability. Since respondents could note more than one disability, the total is greater than 14,915.

Table 24
NUMBER OF RESIDENTS WITH DISABILITIES, BY TYPE, 2000

Type of Disability	Description of Disability	Number
Sensory	Blindness, deafness, severe vision or hearing impairment	2,616
Physical	Substantially limited basic physical activities such as walking, climbing stairs, reaching, lifting or carrying	5,294
Mental	Physical, mental or emotional condition lasting six months or more that makes it difficult learning, remembering or concentrating	3,440
Self-Care	Physical, mental or emotional condition lasting six months or more that makes it difficult dressing, bathing or getting around inside the home	1,536
Go-Outside-Home	Physical, mental or emotional condition lasting six months or more that makes it difficult going outside the home along to shop or visit a doctor	6,258
Employment	Physical, mental or emotional condition lasting six months or more that makes it difficult working at a job or business	6,870

Source: U.S. Census, 2000.

More than two-thirds of residents with disabilities were aged 16-64; 28% were over the age of 64.

Affordability and accessibility are the two primary housing problems facing persons with disabilities. The City has addressed these issues in four ways.

- The City's subsidized affordable housing inventory includes 6 projects with 53 affordable housing units designated solely for persons with disabilities.
- All new multi-family developments are required to comply with federal and state fair housing laws which require a certain portion of units to be constructed according to various accessibility standards.

- Section 504 of the Federal Rehabilitation Act is applied to all new developments that involve the use of federal funds, including CDBG and HOME.
- All subsidized multi-unit projects acquired or rehabilitated in the City must include at least one accessible unit, one accessible bath and an accessible path outside and within the facility. This standard exceeds the requirements of fair housing laws and Section 504.

The City provides financial assistance to support a transitional housing project for persons with physical disabilities. The facility, housing up to three persons at a time, is designed to provide living skills training to assist its clients to live independently in the community. The program also helps its clients to find affordable, accessible housing.

4. SURVIVORS OF DOMESTIC VIOLENCE – ABUSED WOMEN AND CHILDREN

Victims of domestic violence are usually women, many of whom have one or more dependent children, who may also have experienced abuse in their home. Women who have been abused have limited means of support to shelter themselves and their children. Over 90% of City of Santa Clara residents who are clients of the two domestic violence agencies supported by the City are extremely low income. Affordable housing is a critical need for survivors of domestic violence who seek to separate from their abuser.

The City was a pioneer in providing transitional housing for survivors of domestic violence as a means of escape from their abusers and an opportunity to reconstruct their lives without having to worry about shelter and support. In 2002, the City completed the construction of the first apartment-style facility in Santa Clara County, a 24 unit transitional housing facility called Homesafe—Santa Clara. This facility provides transitional housing for up to three years, while providing supportive services such as counseling, legal assistance and childcare. Rents are set at $400/month. All residents develop a comprehensive case management plan, which includes education and job training, as part of their transition to independent living, freed from their batterer. A few years later, the City provided financial assistance for a similar facility in San Jose. In 2009, the City, in conjunction with neighboring cities, contributed to the acquisition of a nine unit housing complex to provide transitional housing for survivors of domestic violence who face special issues as immigrants. All three of those projects are the result of the collaborative effort of the entitlement jurisdictions to address issues like domestic violence as a countywide issue.

Child abuse is typically a law enforcement and child social services issue, the latter administered by the County Department of Social Services. The City subsidized the construction of an emergency shelter for youths, aged 16-25. Residents in that 21-bed facility are runaways, living on the street, who are victims of abuse. That program is discussed in the Homeless and Near Homeless section.

5. PERSONS WITH SUBSTANCE ABUSE/ADDICTION DISORDERS

Alcohol and other drug abuse/addiction refers to excessive and impairing use of alcohol or other drugs, including addiction. The National Institute of Alcohol Abuse and Alcoholism reports that

about one in every 12 adults abuse alcohol or are alcohol dependent.[11] Persons with Abuse/Addiction problems have special housing needs during treatment and recovery. Group homes are often appropriate for treatment and recovery while affordable rental housing provides stability for those transitioning to a responsible drug- or alcohol-free life.

Within Santa Clara County, there were a total of 9,358 adult admissions to outpatient and residential treatment facilities during the 2002-2003 fiscal year. Five primary substances accounted for the large majority of treatment admissions – methamphetamines (47 percent), alcohol (24 percent), marijuana (11 percent), cocaine (10 percent), and heroin (five percent). Criminal justice referrals accounted for 76 percent of treatment admissions in Santa Clara County in 2003.[12]

As a result of the State's budget crisis, funding for substance abuse treatment programs has been reduced substantially. For example, the State's 2009-2010 budget eliminated funding for the Substance Abuse and Crime Prevention Act, which provided first- and second-time nonviolent drug offenders the opportunity to receive substance abuse treatment instead of incarceration.[13]

There is no data available concerning the housing status of persons admitted or discharged from substance abuse programs. The 2009 Homeless Census and Survey found that 41% of the unsheltered homeless in the County had substance abuse issues. That percentage represents 119 homeless individuals in the City. The City has never received a request to provide capital funding for a substance abuse facility.

6. PERSONS WITH AIDS/HIV

AIDS/HIV adults seeking to live independently face similar problems to those with disabilities, particular as their illnesses progress. Within Santa Clara County in April, 2009, there were 2,008 individuals with AIDS and 755 persons with HIV.[14] Not all of the 2,763 persons are lower income in need of assistance from the government.

7. MIGRANT FARMWORKERS

The closest agricultural production operations are located more than 30 miles from the City of Santa Clara, in southern Santa Clara County, migrant farmworkers are not a subgroup with special housing needs. The 2000 U.S. Census reported just 94 City of Santa Clara residents working in the farming, fishing, or forestry industries.

[11] National Institute of Alcohol Abuse and Alcoholism, "FAQ for the General Public," www.niaaa.nih.gov/FAQs/.
[12] Santa Clara Department of Alcohol & Drug Services, Annual Report – FY 2003, http://www.sccgov.org/SCC/dads/.
[13] State of California, "2009-2010 Enacted Budget Summary," 7/28/09, www.ebudget.ca.gov/pdf/Enacted/BudgetSummary/.
[14] California Department of Health Services, "HIV/AIDS Surveillance in California," April 2009, www.cdph.ca.gov/programs/aids/.

8. ILLITERATE ADULTS

Illiterate adults are likely to be underemployed or otherwise work at very low wages. They may be single individuals or living in a family household. As such they share many of the same characteristics of ELI households. The National Center for Education Statistics estimates that 16% of adults in Santa Clara County lack basic literacy skills. There is no data available concerning the housing status of illiterate adults.

The Santa Clara City Library provides a program called "Read Santa Clara" that provides tutoring for English-speaking adults who want to improve their basic reading, writing and/or math skills. Through tutoring, which is provided by trained volunteers, participants learn how to fill out forms, read to children, write letters, obtain their GED, register to vote, understand health information and read just for pleasure. In FY 2008-09, it served 148 City residents. That number has steadily increased since FY 2004-05.

9. COLLEGE STUDENTS

College students are not considered a Special Needs Population by HUD or the City of Santa Clara. However, because they usually are ELI, they compete for low rent apartments when they choose to live off campus. CDBG and HOME funds cannot be used to build, acquire or rehabilitate housing that is limited to students. There are three colleges in the City.

Santa Clara University has the largest impact on the demand for housing in the City. An increasing number of students at the University are choosing to live off-campus. The City encourages the University to provide adequate on-site student housing for all full-time students, both graduate and undergraduate students, so as to minimize the impacts on the City's off-campus housing stock. The University has begun a program of expanding its types of on-campus housing with the intent of encouraging a higher percentage of student occupancy on-campus. Between 1989 and 2001, the number of students living on-campus increased from 1,838 to 2,050. Since 2002, the University has approval for construction of 350 beds in apartment-style housing, of which 296 have been built.

The community benefits from two other colleges: Golden State Bible College and Mission College. Golden State Bible College is an undergraduate facility and has approval for two dormitories. The first dormitory has been completed and has 54 rooms and 108 beds. Mission College is a community junior college attended by students who commute from their homes. There is no on-campus residency.

DESCRIPTION OF HOUSING NEEDS:
Public and Subsidized Housing

1. SUMMARY OF SIGNIFICANT TRENDS, 2000-2015

- The Housing Authority of Santa Clara County owns 340 rental housing units, at 7 locations.
- Hispanics and Blacks hold Section 8 vouchers and occupy subsidized housing in a greater proportion than their representation in the City's population as a whole.
- The City's inventory of affordable, restricted housing units is 1,307 housing units in 45 projects.

2. PUBLIC HOUSING

The Housing Authority of Santa Clara County (HASCC) owns 340 rental housing units, at seven separate locations, in the City of Santa Clara. One hundred seventy two of these units are for senior housing; another 15 are for developmentally disabled persons. New residents in these projects are selected from the HASCC waiting list. All of these projects have received funding from the RDA and been built or acquired in the last 15 years. Their current affordability requirements will be in place for the next 20-45 years. HASCC conducts regular Housing Quality inspections on these units. Periodic inspections by the City confirm the excellent physical condition of the housing units and common areas. The City does not anticipate that any public housing units will be lost during the five year period of this Consolidated Plan. There are no plans for future public housing developments as of June, 2010. Table 25 lists the current public housing inventory.

Table 25
PUBLIC HOUSING INVENTORY, 2010

Development	Number of Units	Housing Type	Affordable Units Low (51-80% AMI)	Affordable Units Very low (<50% AMI)
Klamath Gardens	17	Family	0	17
Deborah/Miramar Apts	20	Family	0	20
Eklund Gardens	16	Family	0	16
Bracher Senior Apts	72	Senior	0	72
Rivertown Apartments	100	Family	70	30
John Burns Gardens	100	Senior	0	100
Life Services Alternatives	15	Dev Disabled	0	15

Source: City of Santa Clara Affordable Housing Projects Inventory List

In March, 2010, the RDA approved the sale of three of the developments, Klamath Gardens, Deborah/Miramar and Eklund Gardens, to a partnership that will consist of a non-profit housing authority affiliate and a tax credit investor. The purpose of the disposition was to finance the

rehabilitation of the developments and to preserve the affordability of the units. The other four Housing Authority projects will be rehabilitated with other financing and will not be part of the tax credit syndication.

3. TENANT-BASED RENTAL ASSISTANCE

HASCC also administers rental assistance programs, including the Section 8 Voucher program. As of March, 2010, 827 City residents received tenant-based rental assistance through the voucher program. There are another 9 households benefiting from project-based vouchers There are 2,398 applicants from the City on the waiting list. Most of the households on the waiting list are one or two person households (69.2%); 7.5% were large households (5 or more members). Currently, the waiting list is closed. It may not be reopened in the next 5 years. Table 26 presents a breakdown of Section 8 participants and waiting list applicants by household type.

Table 26
SECTION 8 PARTICIPANTS IN THE CITY, MARCH, 2010

Participants	
Non-Disabled & Non-Elderly	388
Elderly & Non-Disabled	149
Disabled & Elderly	143
Disabled & Non-Elderly	147
Total	**827**
Waiting List Applicants	
Non-Disabled & Non-Elderly	1,534
Elderly & Non-Disabled	356
Disabled & Elderly	149
Disabled & Non-Elderly	359
Total	**2,398**

Source: Housing Authority of the County of Santa Clara, March, 2010.

Table 27 demonstrates that Section 8 voucher holders are more likely to be Black or Hispanic than the City population as a whole. This is not surprising given the fact that Blacks and Hispanic are more likely to be lower income and renters.

Table 27
RACIAL/ETHNIC BREAKDOWN OF SECTION 8 TENANTS, MARCH, 2010

	White, Not Hispanic	**Asian**	**Hispanic**	**Black**
Tenants with Section 8	217	224	223	142
Percent of Section 8 Holders	26.2%	27.1%	27.0%	17.2%
Waiting List	304	763	658	349
Percent of Waiting List	12.7%	31.8%	27.4%	14.6%
Percent of City Population	39.1%	37.8%	16.5%	2.1%

Note: "Other" races represent 4.5% of the City's population. Percent of Section 8 holders and Waiting List do not add up to 100% because of vouchers held by Other races.
Source: Housing Authority of Santa Clara County, March, 2010

The HASCC is currently using 99.9% of its Section 8 funds. That efficient use of resources leaves the Section 8 program in the County vulnerable to increasing fair market rents and federal budget reductions.

4. SUBSIDIZED HOUSING

Tables 28 and 29 provides data on the City's assisted multi-family housing stock by its various housing programs. Map 2 shows the locations of these developments.

Table 28
SUBSIDIZED HOUSING INVENTORY IN THE CITY, June 30, 2010

Project Name Address	Affordable Units	Owner	Earliest Date of Expiration	Funding Source
1. Quetzal House 884 Lafayette Street	4	Bill Wilson Center (lessee)	Annual Lease	RDA
2. Gianera Senior Residence 2319 Gianera Street	3	Senior Housing Solutions (lessee)	Annual Lease	RDA
3. Estancia Apartments Hope Drive	90	Archstone	2022	RDA
4. Chateau Apartments 2150 Main Street	25	Community Housing Developers	2023	HOME
5. Runaway Youth Shelter 3490 The Alameda	20	Bill Wilson Center	2023	CDBG/ RDA
6. Homestead Senior Residence 2185 Homestead Road	4	Senior Housing Solutions	2024	HOME/ RDA
7. Westwood Ambassador Apt 2606 Newhall Street	43	Charities Housing Developers	2024	HOME/ CDBG
8. Bracher Senior Housing 2665 South Drive	72	Housing Authority of Santa Clara County	2024	RDA
9. Klamath Apartments 2051 Klamath Avenue	17	Housing Authority of Santa Clara County	2025	RDA
10. Summerset Apartments 2151 Main Street	43	Community Housing Developers	2025	RDA
11. Teen Parent Transitional Housing 1284 Jackson Street	10	Bill Wilson Center	2026	HOME/ RDA
12. Liberty Tower 890 Main Street	100	Santa Clara Methodist Retirement Foundation	2028	HOME
13. Homeless Teen Trans Housing 2120 Main Street	6	Bill Wilson Center	2028	HOME/ RDA
14. Sobrato Family Living Center I 1509 Agnew Road	33	Emergency Housing Consortium	2029	RDA
15. De La Cruz House 3779 De La Cruz Boulevard	6	Hope Services	2031	HOME/ RDA
16. Briarwood House 2114 Briarwood Drive	6	Hope Services	2031	HOME/ CDBG
17. Casa del Maestro I 3445 Lochinvar Avenue	40	Santa Clara Unified School District	2031	RDA

18. Foster Care Transitional Housing 3551 Shafer Drive	6	Bill Wilson Center	2032	HOME
19. Sobrato Family Living Center II 1489 Agnew Road	18	Emergency Housing Consortium	2033	HOME/ RDA
20. Life Services Alternatives 820 Agnew Road	15	Housing Authority of Santa Clara County	2033	RDA
21. Deborah-Miramar Apartments 3761 Miramar & 2251 Deborah	20	Housing Authority of Santa Clara County	2035	RDA
22. Eklund Gardens 2002 Halford & 3680 Poinciana	16	Housing Authority of Santa Clara County	2035	RDA
23. Domicilio Apartments 431 El Camino Real	31	Sobrato Development	2036	Inclusionar y
24. Prometheus I 550 Moreland	14	Prometheus Rivermark	2038	Inclusionar y
25. Prometheus II 502 Mansion Park Drive	13	Prometheus Rivermark	2038	Inclusionar y
26. John Burns Gardens 820 Agnew Road	100	Housing Authority of Santa Clara County	2039	RDA
27. Riverwood Grove 2150 Tasman Drive	71	Mid-Peninsula Housing	2039	RDA
28. Riverwood Place 5090 Lick Mill Blvd	148	Mid-Peninsula Housing	2040	RDA
29. Rivertown Apartments 1340 Hope Dr	100	Housing Authority of Santa Clara County	2042	RDA
30. Homesafe Santa Clara 611 El Camino Real	25	Charities Housing Developers	2042	HOME/ RDA
31. Pacific Gardens 2384 Pacific Drive	21	Community Home Partners	2042	RDA
32. Gateway Apartments 1000 El Camino Real	42	Gateway Santa Clara	2044	RDA
33. Supplemental Living Center 1597 Market Street	3	Silicon Valley Independent Living Center	2047	RDA
34. French Street Apartments 3585 Agate Drive	4	Cambrian Properties	2059	RDA
35. Catalina Luxury Apartments 3600 Flora Vista Avenue	23	Flora Vista Residential	2059	RDA
36. Buckingham Apartments 3951 Stevens Creek Blvd	6	Dorcick-Vidovich	2061	RDA
37. Casa del Maestro II 3445 Lochinvar Avenue	24	Santa Clara Unified School District	2063	RDA
38. Belovida Senior Apartments 1828 Main Street	28	Belovida Santa Clara	2064	RDA
39. The Commons 3661 Peacock Court	41	Bill Wilson Center	2065	HOME/ RDA

Source: City of Santa Clara List of Subsidized Affordable Housing Projects
Note: "Earliest Date of Expiration" means the earliest year in which rent and income restrictions will no longer apply and owner may convert the convert market rate housing.

The City's HOME funds have also been used to fund 5 projects in neighboring jurisdictions. These projects have focused on countywide needs for special needs populations.

Table 29
SUBSIDIZED HOUSING INVENTORY OUTSIDE THE CITY, June 30, 2010

Property Name Address	Affordable Units	Owner	Earliest Date of Expiration	Special Needs Population
Montgomery Street Inn 358 N Montgomery St, San Jose	1	Innvision	2017	Homeless
Stoney Pines 267 W California St, Sunnyvale	2	Stoney Pine Charities	2021	Disabled
Heart of Cupertino 10114 Vista Drive, Cupertino	1	West Valley Community Services	2023	VLI
Homesafe San Jose 1810 Alum Rock Ave, San Jose	3	Charities Housing Developers	2023	Survivors of Domestic Violence
Maitri Transitional House 19489 Rosemarie Pl, Cupertino	9	Maitri	2029	Survivors of Domestic Violence

Source: City of Santa Clara List of Subsidized Affordable Housing Projects
Note: "Earliest Date of Expiration" means the earliest year in which rent and income restrictions will no longer apply and owner may convert the convert market rate housing.

Based on data from HOME projects, reflected in Table 30, residents of subsidized units are more likely to be Black or Hispanic.

Table 30
RACIAL/ETHNIC BREAKDOWN OF HOME RENTAL PROJECT TENANTS, 2009

	White, Not Hispanic	Black	Asian	Hispanic
Percent of Residents	33.9%	16.1%	16.9%	33.1%
Percent of City Population	48.3%	2.3%	29.7%	16.0%

Source: City of Santa Clara Home Program Monitoring, 2008-2009.

5. SUBSIDIZED HOUSING UNITS AT-RISK OF CONVERTING TO MARKET RATE

The State Housing Element law and HUD Consolidated Plan regulation require cities to prepare an inventory including all subsidized multi-family rental units which are eligible to convert to market rate housing due to termination of subsidy contracts, mortgage prepayment, or expiring use restrictions. HUD regulation requires the inventory to cover the five-year planning period of the Consolidated Plan; the State Housing Element law requires a review through 2019. This analysis represents a review of current status and options, rather than a specific statement of City policy.

In its previous ConPlan, the City had identified Liberty Tower, a 100 unit apartment complex for very low income seniors located at 890 Main Street, as a low risk for conversion after 2013. In 2008, Liberty Tower entered into a Housing Assistance Payment Contract with HUD, which will extends its affordability restrictions to 2028.

The City's affordability restrictions on the Montgomery Street Inn are scheduled to expire in 2017. The owner, Innvision, is expected to continue its commitment to housing homeless persons. The project is considered to be at low-risk for conversion.

6. Fair Housing

Affordable Housing and Fair Housing: Without question, persons with lower incomes are more negatively impacted by the high cost of housing in the City of Santa Clara. Since Blacks and Hispanics have substantially lower median household incomes than Whites and Asians, their housing possibilities are more restricted. This economic fact does not make lack of affordable housing, in and of itself, a fair housing barrier. The HUD definition of fair housing speaks of equal opportunity for "persons of similar income levels."

In designing its affordable housing programs, the City has recognized that each program may have a disparate attraction and availability for different race/ethnic households. For example, the NCIP program disproportionately benefits White and Hispanic homeowners, who, in aggregate, have lived longer in their current dwellings and live in older housing stock, as compared to Asians and Blacks. The City's first-time homebuyer programs disproportionately benefit Asians. Blacks and Hispanics make up a disproportionately high number of affordable rental apartment tenants. The City's affirmative marketing program identifies these disparities and provides some compensation by targeting marketing to protected classes that may be disproportionately benefiting from a particular program.

City's Fair Housing Agency: The City contracts with a non-profit agency, Project Sentinel, to provide a variety of services to reduce the incidence of illegal housing discrimination. In addition to case investigation and public information, Project Sentinel distributes brochures (in English, Spanish, Chinese, Tagalog and Vietnamese) at various public facilities, publishes a fair housing column called "Rent Watch", produces a Fair Housing Review newsletter which is distributed to community groups, makes radio public service announcements (in English and Spanish) and provides a minimum of two a year public presentations/workshops for landlords, mortgage lenders and realtors.

Countywide Fair Housing Task Force: In fiscal year 2003, the Countywide Fair Housing Task Force was established. The Task Force includes representatives from entitlement jurisdictions, fair housing providers, legal service providers, and other community service providers. Since its inception, the Task Force has implemented a calendar of countywide fair housing events and sponsors public information meetings, including Accessibility Training, First-Time Homebuyer training, and Predatory Lending training.

Analysis of Impediments to Fair Housing Choice Action Plan: On August 7, 2007, the City completed an update of its Analysis of Impediments to Fair Housing Choice (AI) for the period of 2006-2011. That document also included an action plan for the period July 1, 2006 through June 30, 2011. The updated AI incorporated the Census Bureau's 2005 American Community Survey (ACS), 2005 Home Mortgage Disclosure Act Data, and City efforts to affirmatively further fair housing. By July, 2011, the City will update its AI Action Plan based on initiatives arising from the Fair Housing Task Force.

The Fair Housing Choice Action Plan set forth nine public policies.

1. Participate in the Fair Housing Task Force.
2. Update and Implement the Housing Implementation Programs Identified in the City's Housing Element.
3. Continue to support non-profit organizations whose purpose is further fair housing.
4. Continue to identify and mitigate housing constraints for persons with disabilities.
5. Enhance housing for persons with disabilities by implementing federal and state fair housing and building code requirements related to residential accessibility.
6. Continue to encourage the development of higher occupancy rental housing where feasible.
7. Continue to require, review and update assisted housing projects Affirmative Marketing Plans.
8. Continue to implement its residential Anti-Displacement and Relocation Assistance Policy.
9. The City will continue to support police and community groups in the development of viable policies to deal with local incidents of hate crimes.

Limited English Proficiency Plan: The City developed a Language Access Plan (LAP) for persons with Limited English Proficiency. The LAP received final approval in July, 2007.

BARRIERS TO AFFORDABLE HOUSING

Constraints to the provision of adequate and affordable housing are posed by market, governmental, infrastructure and environmental factors. These constraints may result in housing that is not affordable to low and moderate income households, or may render residential construction economically infeasible for developers. Constraints to housing production significantly impact households with low and moderate incomes and special needs.

The City of Santa Clara has identified potential governmental and non-governmental constraints to affordable housing development. The City's Housing Element has identified specific constraints to development of affordable housing, some of which cannot be resolved. The City's Planning Commission periodically reviews and recommends actions that can be taken to remove or mitigate these constraints to the maintenance, improvement and development of affordable housing. Governmental constraints include the following:

1. COMMUNITY AND ENVIRONMENTAL CONSTRAINTS

Municipal Boundaries: The City is completely surrounded by the boundaries of other cities: San Jose on the north, east and south; and Cupertino and Sunnyvale on the west. Other than a parcel on Homestead Road, no other developable lands exist for annexation to the City. The City's primary new housing opportunities, therefore, must come from within the City limits, and primarily through redevelopment of existing parcels.

Shortage of Vacant Land: There are only five acres of vacant land within the City limits with the potential for residential development. Therefore, new, affordable housing must come primarily from the redevelopment of existing parcels. Many of these projects will be "infill" projects, which are often more challenging and costly. Infill development does offer the benefits of greater public transit accessibility, more efficient use of under-utilized sites, and the preservation of existing pen space.

Higher density housing development is another way to increase the supply of affordable housing. The City's Housing Element identified approximately 175 acres of underutilized land for potential new higher density residential or mixed-use redevelopment, predominantly along El Camino Real. Directing higher density housing to commercial areas, with convenient access to transportation and retail services, and separation from lower-density existing neighborhoods may reduce community opposition. City regulations that require appropriate transitions between uses and densities, as well as ensure adequate parking, could reduce some constraints for the approval of new housing.

Of those sites identified as appropriate for new housing, some are too small to accommodate higher density development unless combined with adjacent parcels. Since most of these sites are held by unrelated property owners combining properties is problematic. This barrier, in combination with the proximity of single-family neighborhoods in many cases, could lengthen the time required for approval of new housing.

Community Opposition to Infill Residential Development at Higher Densities: Since 1985, there has been community opposition to some residential infill development at higher densities. The primary concern is that most underutilized and vacant sites are located along major transportation corridors and directly adjacent to long-established single-family neighborhoods. These factors, along with the relatively shallow depth of the properties, makes the transition between densities challenging. Several substantial medium- and high-density developments have, however, been approved in spite of such opposition. Over the past 20 years, affordability for lower and moderate income households has not been the primary concern for community opposition to residential development. Community resistance has, instead, been based on density as well as traffic impacts and parking.

Environmental and Natural Resources: Because new development in the City will be infill, infrastructure is already in place to serve new development or planning efforts are underway to support future growth.[15]

2. GOVERNMENTAL CONSTRAINTS

Governmental constraints for affordable housing development are defined as policies, standards, requirements or actions imposed by the various levels of government upon land and housing development. Government regulations can affect housing availability and costs by limiting the supply of buildable land, setting building standards and allowable densities for development, and exacting permit and development fees.

Land Use Controls and Development Standards: Land use controls have helped maintain the quality of the City's residential neighborhoods, consistent with community established goals. Similarly, residential development standards, such as maximum building height and minimum building setback, and other land use policies, such as minimum percentage open space and off-street parking requirements, have not been significantly changed since 1969. This has helped ensure a consistently high standard of quality of development in all areas of the community.

The General Plan includes a range of residential land use designations and densities, from a single-family detached designation with a minimum density of 1 dwelling unit per acre to a high density designation with a minimum density of 37 units per acre. A Transit-Oriented mixed use designation allows residential densities up to 45 dwelling units per acre. Allowing single family uses in multifamily zones has very little impact on the City's housing capacity. Within the City, there are virtually no parcels that are currently zoned for higher density but only have a single family house. New single family developments in the City have reached fairly high densities because of land costs.[16]

The Zoning Ordinance establishes districts in conformance with the General Plan. The Planned Development zoning district allows for both flexibility in many regulations and a mix of land uses not permitted in other zones. Most residential approvals since 1985 have been Planned Developments to achieve small-lot ownership, condominium/townhome ownership and design variations in terms of setbacks, building coverage and building heights.

[15] 2009 Housing Element.
[16] See 2009 Housing Element for details on City's zoning policies.

In preparation for the City's 2009 Housing Element, the City interviewed housing stakeholders. Based on those interviews, the City's development standards do not substantially the cost and supply of housing, particularly lower income housing. Stakeholders generally agreed that the City's inclusionary program has been successful in achieving its affordable housing goal without undue constraint. Areas identified for improvement were interdepartmental consistency and greater flexibility in parking, height and density requirements.

Building Codes and Enforcement: Building codes and their enforcement in the City are not a constraint to residential development, as compared to neighboring jurisdictions. All new construction is required to meet California Building Code regulations, but the City does not add any substantial local requirements. Compliance with building codes and State accessibility laws and regulations (California Code of Regulations Title 24) may increase the cost of housing production and also impact the viability of rehabilitation of older properties required to be improved to current code standards. However, these regulations provide minimum statewide standards with which the City must comply in order to ensure safety and appropriate accessibility. Site improvement standards for residential development in the City, with the exception of minimum parking requirements, are not more restrictive than those in surrounding jurisdictions. The City's building permit fees are competitive with surrounding jurisdictions.

Existing single family, duplex and triplex units are inspected only when an owner seeks a permit for additional construction or complaints are received. Certain types of major additions require the applicant to bring the building or portion thereof up to current codes.

Parking Requirements: Parking can substantially add to the cost of housing. The City's Zoning Ordinance currently requires two spaces per unit in both single-family and multi-family districts. The Mixed-Use and Transit-Oriented Mixed Use classifications require one space for a studio, one and a half spaces for a one-bedroom unit and two spaces for two- or more bedroom units. At a forum conducted as part of the Housing Element outreach, stakeholders had mixed opinions about parking requirements. Stakeholders were also concerned that an under-supply of parking could lead to neighborhood opposition to development proposals. An option of unbundled parking (where residents are charged separately for parking and housing costs) could have the unintended consequence of creating additional costs for residents of affordable housing units. Parking requirements can be a constraint to development but the development standards relating to parking may be relieved through a Planned Development process, allowing more flexibility on the site.

Second Unit Regulations: Second units, also known as accessory dwelling units (ADUs) are self-contained apartments with a kitchen, bathroom, and sleeping facilities that are attached to a single-family residence or located on the same property as the principal residence. Due to their smaller sizes, second units may provide affordable housing opportunities for lower-income households, seniors, and/or disabled individuals. State law requires local jurisdictions to either adopt ordinances that establish the conditions under which second units will be permitted or to follow the State law provisions governing second units (Government Code, Section 65852.2).

Under current City policy, ADUs are conditionally permitted on single family lots. The Zoning Ordinance Update expects to increase the opportunity for second units by reducing the minimum lot

size requirement to 6,000 square feet, in single-family zoning districts. The Housing Element anticipates about 6 new ADUs per year through 2019.

Fees and Other Exactions: The City and other agencies assess a number of fees that affect the development and cost of housing: utility service connection fees, upgrade of public curb, gutter, and sidewalk (and sewer lateral(s) if necessary), and permit fees. In some cases, fees for street trees, drainage, and traffic mitigation are also collected. Because the City's application and building fees are relatively reasonable according to local housing developers, fees are not considered a significant constraint to the construction of or affordable housing. City application and processing fees are raised only in response to inflationary cost increases in providing City services and are competitive with those charged in surrounding jurisdictions.

Local Processing and Permit Procedures: Development review can affect housing costs. During stakeholder interviews, several housing developers commented that the City's development process was one of the most coherent and timely compared with other cities in the area. One stakeholder explained that permits for an affordable housing project were obtained in six months, remarking that this would have taken years in other nearby jurisdictions. Processing, from initial submittal through discretionary review and building permit approval, averages six months for most residential developments.

Airport Noise and Land Use Limitations: The most significant governmental constraint is the State-required airport noise regulations and Airport Land Use Commission prohibitions and limitations on new housing units in that portion of the City adversely impacted by San Jose International Airport noise and safety zones. Proposed housing in these areas is potentially required to have noise limiting construction methods including specially designed windows, walls and insulation. These additional construction requirements often burden the developer and limit new construction near the airport.

Regulations Governing Emergency Shelters and Transitional Housing: Local land use controls can constrain the availability of emergency shelters and transitional housing for homeless individuals and shelters if these uses are not permitted in any zoning district or if additional discretionary permits are required for their approval. SB2, a state law that became effective on January 1, 2008, sought to address this potential constraint by strengthening planning requirements around emergency shelters and transitional housing. The law requires all jurisdictions to identify a zone where emergency shelters are permitted by right without a conditional use permit or other discretionary permit. In addition, transitional and permanent supportive housing must be considered a residential use and only be subjected to restrictions that apply to other residential uses of the same type in the same zone.[17]

As part of its Zoning Code Update, the City will evaluate and work towards eliminating constraints to the provision of emergency housing, and will amend the Zoning Ordinance to allow homeless shelters and transitional housing in at least one zoning district by right and encourage their provision in existing multi-family residential districts close to transit and services.

[17] Senate Bill 2 – Legislation Effective January 1, 2008: Local Planning and Approval for Emergency Shelters and Transitional and Supportive Housing, May 7, 2008. http://www.hcd.ca.gov/hpd/housing_element2/SB2memo071708_final.pdf

Regulations for Community Care Facilities: Local zoning ordinances also may affect the availability of housing for persons for community care facilities serving special needs populations. The Lanterman Developmental Disabilities Services Act requires local jurisdictions to treat licensed group homes and residential care facilities with six or fewer residents no differently than other permitted single-family housing uses. Cities must allow these licensed residential care facilities in any area zoned for residential use and may not require conditional use permits or other additional discretionary permits. Consistent with State law, the City permits licensed community care facilities for six or fewer residents by right in residential zones allowing single-family residential uses.

Reasonable Accommodation Policies: Both the federal Fair Housing Act and the California Fair Employment and Housing Act Title 24) impose an affirmative duty on cities and counties to make reasonable accommodations in their zoning and land use policies when such accommodations are necessary to provide equal access to housing for persons with disabilities. Reasonable accommodations refer to modifications or exemptions to particular policies that facilitate equal access to housing. Examples include exemptions to setbacks for wheelchair access structures or reductions to parking requirements.

In a May 15, 2001 letter, the California Attorney General recommended that local governments adopt formal written procedures for handling reasonable accommodations requests. While addressing reasonable accommodations requests through variances and Conditional Use Permits does not violate fair housing laws, it does increase the risk of wrongfully denying a disabled applicant's request for relief and incurring liability for monetary damages and penalties. Furthermore, reliance on variances and use permits may encourage, in some circumstances, community opposition to projects involving much needed housing for persons with disabilities.[18]

The City does not have a specific process specifically designed for people with disabilities to make a reasonable accommodation request. Rather, it provides disabled residents relief from the strict terms of their zoning ordinances through existing variance or Conditional Use Permit processes.

Prevailing Wage Labor Standards: Given the high prevailing wages in Santa Clara County, federal and state prevailing wages will continue to limit the number of affordable housing units that can be constructed. Under current RDA law, the mixing of RDA and other public funds triggers the state prevailing wage; if RDA funds are the only governmental source, state prevailing wage does not apply. The effect of these requirements is to inhibit the City from leveraging other governmental funds for RDA projects.

Article XXXIV of the California Constitution: Article 34 requires voter approval prior to the construction of any "low rent housing project" by the Federal government or by a State public body such as the RDA. In 1988, voters of the City approved a ballot measure authorizing up to 300 low rent housing units in the City. That authorization has been fully used. In 1998, the voters of Santa Clara County approved Measure A, authorizing the annual development of approximately 540 low rent housing units (with unused annual authorization accrued), in Santa Clara County. The City of San Jose is not part of this allotment, as it has its own separate authorization. In PY 2002, the City had produced 446 low rent housing units, 83% of the annual County authorization. Given that 13 other municipalities, as well as the unincorporated areas of the County, also draw upon the Measure

[18] Lockyer, Bill, California Attorney General, Letter to California Mayors, 5/15/01. http://caag.state.ca.us/civilrights/pdf/reasonab_1.pdf

A allotment, it is obvious the current limit places a real limit on future affordable housing development.

3. MARKET CONSTRAINTS

Cost of Housing: Market constraints significantly influence the cost of housing and are essential to consider when discussing affordable housing. Construction costs and fluctuating interest rates are major contributors to the ever increasing cost of housing in the San Francisco Bay Area. Land prices are typically the most significant cost as they have gone up rapidly over the past decade. Currently, 45.5% of the households in Santa Clara County can afford a median price home. Nationwide, that figure is 70.8%. Those historically high levels have been bolstered by favorable interest rates and declining house prices, both of which are likely to rise over the next 5 years.

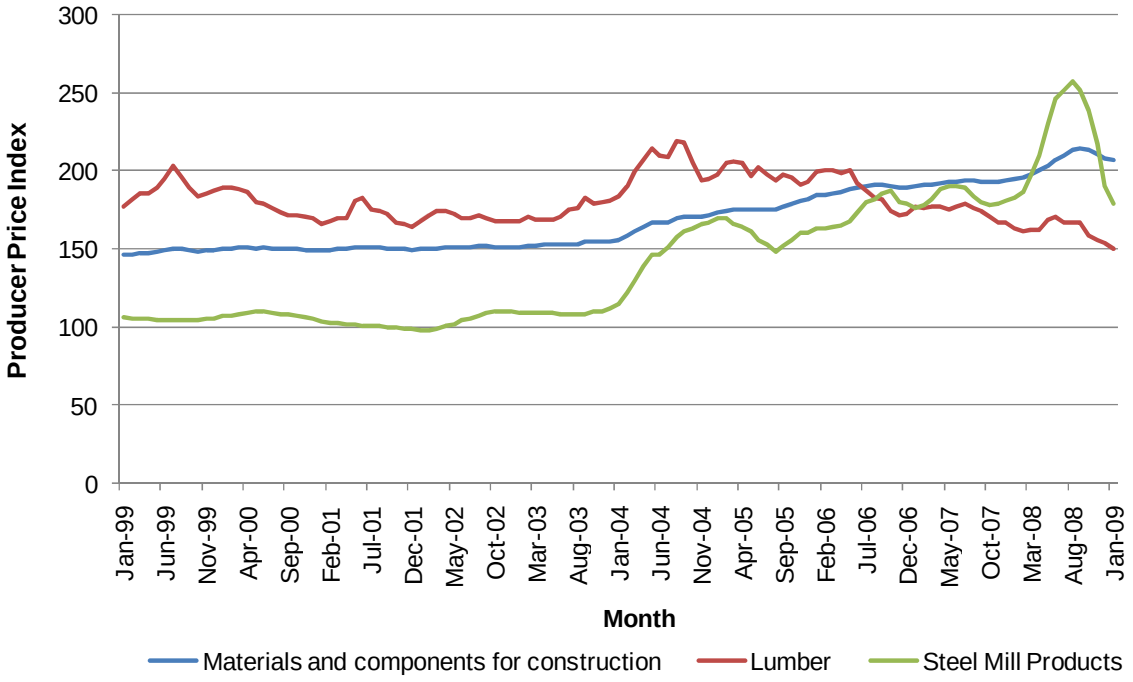
1. **Land Costs**: Land costs in Santa Clara County are generally higher than most other places across California. Local developers indicate that land prices have been slow to adjust during this economic downturn. However, developers generally report that the market is not efficient and land owners' expectations of what their land is worth declines slowly. Unless land owners are compelled by other factors to sell their property, many will wait for the market to recover.

2. **Construction Costs**: In recent months, key construction costs (materials and labor) have fallen nationally in conjunction with the declining residential real estate market. Table 31 illustrates construction cost trends for key materials based on the Producer Price Index, a series of indices published by the U.S. Department of Labor Bureau of Labor Statistics that measures the sales price for specific commodities and products. Lumber prices have declined by 19 percent between 2004 and 2008. As shown in Figure 4.9, steel prices have fallen sharply since August 2008. Local developers report that construction costs, including labor, have fallen by approximately 20 percent in tandem with the weak housing market.[19] Prevailing Wage requirements have mitigated the impact of this latter factor on the cost of constructing affordable housing

3. **Availability of Financing**: According to local affordable housing developers, the availability of financing presents the biggest barrier to producing new subsidized housing. Although the cost of land and construction have declined, the associated tightening of the credit market, and decline in State and local subsidies have made it challenging for affordable housing developers to take advantage of lower costs.

[19] Papanastassiou, Andrea, Director of Real Estate Development, Eden Housing, Inc., phone interview with BAE, July 14, 2009.

Table 31
PRODUCER PRICE INDEX FOR KEY CONSTRUCTION COSTS, 1999-2009



Base year: 1982 = 100
Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, 2009; BAE, 2009

For example, the value of low-income housing tax credits (LIHTC) has fallen in tandem with the economy. Tax credit investors also now have an even greater preference for new construction, family housing, and senior housing developments, perceived to be less risky than rehabilitation projects and permanent supportive housing.[20] With this loss in tax credit equity, developers are forced to turn to the State and local agencies for greater subsidies. Unfortunately, the State's weak fiscal condition has led to uncertainty of future bond financing, a major strategy for raising affordable housing funds. In the face of California's budget concerns, this constraint will likely remain in effect during a significant portion of the 2010-2015 Consolidated Plan cycle.

Limitations on financing for mixed use are a constraint on the City's plans for redevelopment along El Camino Real. Lenders are not convinced of the durability of the mixed use residential market and put higher financial burdens on developers of such projects. In times of tight money or low demand, such burdens effectively make the construction of mixed use projects more difficult.

4. **Parcel Size and Multiple Ownership.** Of those sites identified as appropriate for potentially providing new housing opportunities in the City, some are too small to gain approval for higher density development unless they are combined with adjacent parcels. Most of these are held by a large number of unrelated property owners and are adjacent to existing single family

[20] Sawislak, Dan, Executive Director, Resources for Community Development, phone interview with BAE, July 2, 2009.

neighborhoods such as along El Camino Real. This combination of factors will lengthen the time to develop higher-density, multi-family projects. The City revised its General Plan designations to offer additional economic incentives to some commercial properties to encourage high-quality infill redevelopment that includes higher-density housing in addition to commercial businesses, where appropriate.

DESCRIPTION OF COMMUNITY NEEDS:
Homeless and Near Homeless

The City's quantitative goals and objectives for ending homelessness are set forth in a later section summarizing all the City's housing and community services objectives. This section describes the City's strategies in relation to other countywide initiatives.

1. SUMMARY OF SIGNIFICANT TRENDS, 2000-2015

- The City's focus of public service funds on extremely low income households has helped over 4,000 households to remain housed since 2005.
- There are nearly 4,000 female headed households in the City, 90% of which are extremely low income.
- Length of a transitional housing program period is a critical determinate of success in establishing a self-sufficient housing situation.
- Since 2004, the number of unsheltered homeless in the City has increased by 82.4%.
- The City has 10 homeless facilities with 283 beds.
- The City exceeds its allocation for homeless housing by 58 beds.
- The fastest growing homeless subpopulation in the last five years has been persons with substance abuse issues.

2. PREVENTING HOMELESSNESS – THE NEAR HOMELESS

The "Near Homeless" population is comprised of extremely low income families and individuals who, upon experiencing a major life crisis that creates severe financial distress (job loss, medical emergency, etc.), are in danger of losing their housing and ending up homeless. Such households are commonly described as the "working poor." The overwhelming majority of these households typically experience a housing cost burden in excess of 50% of their income. The 2000 Census identified 4,348 households in the City (11.2% of all households) as extremely low income. Of these households, 2,708 (63.7%) had a housing cost burden of greater than 50% of their income. As discussed in previous sections, large families are disproportionally impacted by a high housing cost burden.

The near homeless population also includes individuals who are in imminent danger of residing in shelters or living on the streets. This is primarily due to the lack of access to permanent housing and the absence of an adequate support network, such as immediate family members or relatives in whose homes they could temporarily reside. These individuals, especially those being released from penal, mental or substance abuse facilities, require supportive services that help them make the transition back into society and remain off the streets.

The obvious solution is to provide these impacted households with more affordable housing and appropriate support services. As discussed previously, there is simply not enough money to build the housing needed by lower income households. For this reason, since 2005, the City of Santa Clara has targeted its public service funds on programs that focus on ELI households. This assistance helps ELI households to meet the costs for basic needs in the face of an over 50% housing cost burden.

A subset of ELI households that is especially vulnerable is single-parent households, particularly female-headed households (FHH). In the 2000 Census, there were 3,659 FHH households residing in the City of Santa Clara. Over 90% of these households were extremely low income. Of the 827 Section 8 participants residing in the City in March, 2010, 146 were held by FHH households (with 212 minor children).

Domestic violence is the fifth leading cause of homelessness, according to the 2009 Santa Clara County Homeless Survey. Affordable housing is a critical need for survivors of domestic violence who seek to separate from their abuser. The City was a pioneer in providing transitional housing for survivors of domestic violence as a means of escape from their abusers and an opportunity to reconstruct their lives without having to worry about shelter and support. In 2002, the City completed the construction of the first apartment-style facility in the County, a 24 unit transitional housing facility called Homesafe—Santa Clara. This facility provides transitional housing for up to three years, while providing supportive services such as counseling, legal assistance and childcare. Rents are set at $400/month.

Keeping people from becoming homeless requires emergency funds to pay for housing, food, and medical care. To that end, United Way Silicon Valley has established an Emergency Assistance Network (EAN) in Santa Clara County. The goal of that network is to stabilize individuals and families during times of trouble and help them return to self-sufficiency. That goal includes supporting households in their existing housing whenever possible. InnVision, 1 of the 8 partner agencies in the EAN, serves the City of Santa Clara. The funds InnVision receives from United Way are usually exhausted by the middle of each month. The City's Emergency Rental Assistance Program will be a partnership with InnVision to try to extend the availability of funds for a full month. Emergency Rental Assistance is a one-time assistance to help a troubled family get through a financial crisis. Assistance is provided after a review of the family's finances indicates that the family can stabilize with the one-time assistance. Between July, 2007 and June, 2009, InnVision provided emergency assistance to 250 City residents, 90% of whom were extremely low income. Recession and rising unemployment has increased demand. In the first quarter of FY 2009-10, the demand for assistance by City residents increased 28% over the previous year.

Another near homeless special needs population that the City of Santa Clara continues to support is at-risk youth, age 16-25. This population includes youth in or recently aged out of foster care, runaways, unemployed youth and youths temporarily living with friends or relatives. Generally, this population lacks the skills and education to find an occupation that pays a livable wage. They also may suffer from substance abuse, mental illness, and physical and sexual abuse and violence, all which contribute to an unstable housing situation. Without intervention, at-risk youth may fall into long-term homelessness. In the 2009 Homeless Survey, 7% of the homeless population was aged 13-17 and another 7.3% was aged 18-21. Those figures are up from the 2007 survey, which found 1% aged 13-17 and 7% aged 18-21. In FY 2008-09, the Bill Wilson Center (BWC) provided emergency shelter to

302 runaway youths at its 20-bed emergency shelter in the City. Foster care is a proximate cause of homelessness. BWC reports that 60% of the street youth that it sees in its downtown San Jose Drop-In Center report having been in foster care.

Bill Wilson Center, headquartered in the City of Santa Clara, is the largest agency serving at-risk youth in the County. The City has provided BWC with financial assistance for the acquisition of six residential properties, including one shelter, four transitional and one "permanent" housing projects, in the City. These facilities address the variety of issues facing the subpopulations of at-risk youth, including those exiting or soon to exit from foster care.

Housing stakeholders and providers interviewed for this Housing Element identified a need for transitional and permanent housing for youth. These housing types could come in various forms, from a renovated single-family home with just a few residents, to larger residences serving 20 youth. This type of housing requires on-site social services or other support. In addition, stakeholders recommended additional single-room occupancy units (SRO) to serve various populations with limited incomes, from homeless and transitional populations, to seniors and young people, just out of high school or college.

3. ASSISTING THE HOMELESS – THE CONTINUUM OF CARE

In 1995, HUD implemented the Continuum of Care (CofC) approach to streamline the existing competitive funding and grant-making process under the McKinney-Vento Homeless Assistance Act and to encourage communities to coordinate more fully the planning and provision of housing and services for homeless people. In Santa Clara County, the CofC is a regional system for coordinating the various housing and service programs for those who are homeless or at imminent risk of homelessness. The CofC includes emergency shelters and transitional housing with a goal of permanent, stable housing. Each of these stages includes its own set of support services, uniquely designed for the homeless or near-homeless sub-populations being served. The fundamental concept behind the CofC is that becoming homeless is a state that evolves over time, ending homelessness is a process that requires the same or more time.

Countywide Collaborative and Continuum of Care: The Santa Clara Countywide Collaborative on Affordable Housing and Homeless Issues is the lead entity in formulating the Continuum of Care Plan. It is the goal of the jurisdictions and non-profit agencies within Santa Clara County to coordinate services and facilities available for the homeless through a regional, cooperative strategy, as a Continuum of Care Plan (CofC). The CofC system is an extensive array of services that assist persons and families that are homeless or are threatened with homelessness. Only select programs and services are part of the County's CofC collaborative. The goal is to help homeless residents get housing, job training, childcare, and other services. The CofC of Care stresses permanent solutions to homelessness through comprehensive and collaborative community planning. The goal of a comprehensive homeless service system is to ensure that homeless individuals and families move from homelessness to self-sufficiency, permanent housing, and independent living. In 2009, three programs operating in the City of Santa Clara received $851,472 in McKinney funds, 9.1% of the County's total of $9,354,499. The 3 programs were: Bill Wilson Center Transitional Housing Program for Youth and Young Families ($548,476), Emergency Housing Consortium Sobrato Family Living Center ($102,462), and Santa Clara Unified School District Career Advantage and Retraining Project ($200,534).

Transitional Housing: The City of Santa Clara has supported 10 transitional housing projects for special needs populations who are homeless or near homeless. The purpose of transitional housing is to stabilize a household's housing situation, to develop a plan to identify and to address barriers to independent, permanent housing, and to provide supportive resources and secure housing while that transition is being accomplished. Transitional housing provides a stage of recovery from which households can move to self-sufficiency. The City encourages transitional periods of up to five years. This is especially true for at-risk youth. The Executive Director of BWC has noted that 12-24 months "is not a sufficient period of time to complete their education, obtain employment, accumulate some wealth…and be ready to completely transition to self-sufficiency."[21] The same can be said for households that have become homeless due to little or no income, substance abuse, violence or other vicissitudes of life.

Unfortunately, many of the sources of funds for supportive services limit transitional housing to two years or less. Of the 10 programs supported by the City, those with maximum stays of one year or less have had about a 20% success rate in placing those leaving the transitional program in a self-sufficient housing result; for those with maximum stays of 1-2 years, the success rate averages about 30%; for the one program that allows maximum stays of up to five years, the success rate is almost 90%. Clearly, length of transitional period is a critical determinate of success in establishing a self-sufficient housing situation. HUD's definition of supportive housing is a maximum of two years; 5 years if the head of household is disabled. For purpose of addressing housing for homeless persons, the City defines permanent supportive housing as transitional housing for more than 2 years.

The HOME Program, which the City has used to develop transitional housing requires a transition time period limit, but does specify a maximum time period. CDBG funds, which generally cannot be used for new construction of permanent housing, can be used for new construction of transitional housing. RDA funds cannot be used for emergency shelters, but can be used for transitional or permanent housing. Thus, the City's three main sources of funds for affordable housing can all be used to support the development of transitional housing.

4. HOMELESS POLICIES AND ACTIONS

There are currently six initiatives to address homelessness in Santa Clara County: (1) Santa Clara County Collaborative on Affordable Housing and Homeless Issues; (2) County of Santa Clara 10-Year Plan to End Chronic Homelessness; (3) Santa Clara County Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis (BRC); (4) Biennial Homeless Census and Survey; (5) City of Santa Clara 10-Year Plan to End Chronic Homelessness; and (6) Homeless Management Information System.

In PY 2004, the County of Santa Clara launched a Ten Year Plan to End Chronic Homelessness. The Interagency Council on Homelessness has defined someone who is "chronically homeless" as "being disabled and being continuously homeless for a year or more or having had at least four homeless episodes during the last three years."[22] That definition does not include families with children that

[21] Application Letter to City of Santa Clara, 12/15/2005.
[22] U.S. Department of Housing and Urban Development, *Strategies for Reducing Chronic Street Homelessness,* January 2004.

have been homeless for similar, extended periods. That County plan advocates a “Housing First” model to address the desired outcome of ending chronic homelessness. That model seeks to create stable housing for homeless persons and then provide focused support services. The model also includes “closing the backdoor” to homelessness by addressing institutions such as foster care, the criminal justice system and health system that often “release” at-risk of homelessness individuals into the community with no plan or resources for housing. Such actions provide a continuing source of new homeless persons. City staff participated in the countywide Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis, which set forth the specific goals of the Ten Year Plan. The Commission made five recommendations to help end homelessness:

- Improve access to services by creating outreach and benefit teams.
- Institutional outreach and discharge planning (e.g., jails, medical facilities).
- Implement a medical respite facility to link homeless persons discharged from institutional facilities to services and permanent housing.
- Establish a one-stop homeless prevention center.
- Implement housing first, providing permanent housing with services as quickly as possible.

The centerpiece of the County’s 10-Year Plan is a “Housing First” model. Housing First is an alternative to the system of emergency shelter/transitional housing, considered ineffective because it is seen as prolonging the length of time that families and individuals remain homeless. The Housing First model is premised on the belief that vulnerable and at-risk homeless persons are more responsive to interventions and social services support *after they are in their own housing*, rather than while living in temporary/transitional facilities or housing programs. With permanent housing, these families and individuals can begin to regain the self-confidence and control over their lives that they lost when they became homeless. The Housing First methodology:

- Helps homeless families and individuals move directly into affordable rental housing in residential neighborhoods as quickly as possible;

- Then provides six months to one year of individualized, home-based social services support "after the move" to help each family and individual transition to stability.

A Housing First approach consists of three components:

- **Crisis intervention, emergency services, screening and needs assessment:** Individuals and families who have become homeless have immediate, crisis needs that need to be accommodated, including the provision of emergency shelter. There should be an early screening of the challenges and resources that will affect a personalized re-housing plan.

- **Permanent housing services:** The provision of services to help families' access and sustain housing includes working with the client to identify affordable units, access housing subsidies, and negotiate leases. Clients may require assistance to overcome barriers, such as poor tenant history, credit history and discrimination based on ethnicity, gender, family make-up and income source. Providers may need to develop a roster of landlords willing to work with the program and engage in strategies to reduce disincentives to participate.

- **Case management services:** The provision of case management occurs (1) to ensure individuals and families have a source of income through employment and/or public benefits, and to identify service needs *before the move into permanent housing*; and (2) to work with families *after the move into permanent housing* to help solve problems that may arise that threaten the clients' tenancy including difficulties sustaining housing or interacting with the landlord and to connect families with community-based services to meet long term support/service needs.[23]

On May 3, 2005, the County Board of Supervisors took action to accept and refer to cities for comment the draft document, "Keys to Housing: A 10-Year Plan to End Chronic Homelessness in Santa Clara County". Preparation of the 10-Year Plan by the County's Office of Affordable Housing, included the involvement of a multi-jurisdictional Homeless Task Force to develop a vision for the end of chronic homelessness and prepare a call to action. The City's comments, presented in July, 2005, and comments from other jurisdictions focused on three areas: (1) Continue to support successful projects that contribute to the Continuum of Care; (2) Develop a system of monitoring and accountability of programs to be initiated under the Plan; and (3) Develop a mechanism to ensure fair distribution of required facilities throughout the County. The City continues to advocate for these three policies.

In the last five years, the City has identified three issues with the implementation of Housing First:

(1) HUD defines persons in "permanent housing" as no longer homeless, even if they are using homeless support service resources. Thus, the majority of the households assisted in the City's Sobrato Family Living Center are not counted as "homeless." Moreover, the countywide Homeless Management Information System (HMIS) does not track homeless individuals once they move into "permanent housing." Thus, it cannot be used to track the demand of "housing first" residents for continued homeless, psychiatric and emergency services. Studies in other metropolitan areas have found that a significant number of permanent housing residents relapse into homelessness within two years of entering "permanent" housing. The HMIS should capture this information on those in permanent housing to better assess the success of "Housing First" and to identify program changes that can improve that success.

(2) The current model is based on addressing the needs of the chronic homeless, many of whom are seriously mentally ill and may not be suited for self-sufficiency or independent living. Such models presume that long-term, subsidized housing with support services may be the highest level of self-sufficiency of which many participants may be capable. For this group, supportive housing is often the permanent solution. The City of Santa Clara has supported "permanent housing" models that address the needs of homeless, focusing on dysfunctional families and at-risk youth. These models have focused on providing a systematic, direct means for vulnerable and at-risk homeless families and youths to develop (or redevelop) stable living patterns, with access to individualized support services, in order to enter or return to independent living.

(3) New programs, including permanent housing, need to develop new resources, rather than transferring funds from prevention programs to chronic homeless programs. An example of the latter is the Housing Authority Section 8, tenant-based voucher program. In 2006, the Housing Authority opened its waiting list for these vouchers for the first time in 7 years. Over 70,000 households applied. Since the Housing Authority is utilizing more than 99% of its available

[23] National Alliance to End Homelessness: Housing First Network. www.naeh.org/networks/housingfirst/

vouchers, it has only about 1200 vouchers become available each year. Currently, 200 of those vouchers are set aside for the chronic homeless. Thus, each year, 200 fewer families have access to Section 8 assistance. On the other hand, the City applauds the action of Santa Clara County to transfer its homeless programs to the County Mental Health Department. That Department has successfully accessed state mental health funds, which are used to provide support services for the chronic homeless.

The City will continue to support the countywide Homeless Management Information System (HMIS). This system was established to collect primary client data on persons who use homeless facilities and services. The HMIS will allow policy makers and funding sources to have an accurate count and demographic profile of homeless persons who receive assistance and which combination of services work best to meet the goals of the Collaborative. The City provides support funding every two years, with FY 2011-12 the next scheduled year. Years.

5. BIENNIAL HOMELESS CENSUS AND SURVEY

A biennial census/survey is required in order to apply for McKinney-Vento funds. The City has provided funding for the last four census/surveys, the last of which was conducted in 2009. A new survey is scheduled for January, 2011. In February and March, 2009, 938 surveys of homeless persons were conducted. Those surveys asked 28 questions to determine homeless demographics, information on causes and duration of homelessness, and strengths and weaknesses of the service delivery system. The full reports for 2009, 2007 and 2004 are available at www.sccgov.org/portal/site/mhd/ (click on "Homeless Concerns").

Between the 2004 and 2009 censuses, the number of homeless persons in the City of Santa Clara increased by 55.4%, from 359 to 558. The table below categorizes the City's census homeless count into sheltered and unsheltered persons.

Table 32
CITY OF SANTA CLARA NUMBER OF HOMELESS PERSONS, 2004-09

Census Year	Sheltered	Unsheltered	Total
2009	184*	290	**474***
2007	204	276	**480**
2004	200	159	**359**

Source: 2009 Santa Clara County Homeless Census and Survey

* The decrease in the City sheltered count does not represent a loss in inventory, but rather a re-classification of the bed "type" in the Sobrato Family Living Center. 28 of the 51 family units there were re-classified because they are "permanent housing" or house families classified as "at-risk of homelessness," neither of which could be counted as homeless in the census, as per HUD's directives. The City estimates that 84 persons resided in those uncounted units.

6. RESIDENTIAL FACILITIES FOR THE HOMELESS IN THE CITY

The City has eight residential facilities that provide housing to homeless families and individuals. Those facilities are listed in the table below.

Table 33
RESIDENTIAL FACILITIES FOR THE HOMELESS IN THE CITY, 2010

Organization/Agency	Facility	Address	Capacity
Emergency Shelters			**Total Beds**
Bill Wilson Center	Youth Shelter	3490 The Alameda	20
Transitional Supportive Housing			**Total Units**
Bill Wilson Center	Homeless Youth	884 Lafayette Street	3
Bill Wilson Center	Youth Parents with Children	1284 Jackson St.	10
Bill Wilson Center	Homeless Teen Trans Housing	3551 Shafer Dr	6
Bill Wilson Center	Single Teen Trans Housing	2120 Main Street	6
Emergency Housing Consortium	Sobrato Family Living Center	1509 Agnew Rd.	23
Charities Housing/Next Door	HomeSafe Santa Clara	611 El Camino Real	24
Permanent Supportive Housing			
Emergency Housing Consortium	Sobrato Family Living Center	1489 Agnew Rd.	28
Senior Housing Solutions	Homestead Senior Group Hous	2185 Homestead Rd.	4
Senior Housing Solutions	Gianera Senior Group Housing	2319 Gianera Street	3

Source: City's Affordable Housing Inventory.

Bill Wilson has acquired a 28-unit apartment, currently undergoing substantial rehabilitation, for at-risk, homeless youths. That facility is projected to be available for occupancy in 2011.

There are several church-sponsored programs in the City which provide periodic meals for homeless persons. By far the largest, which the City supports with CDBG funds, is the St. Justin Community Ministry Food Assistance for the Needy Program. That program serves over 6,000 extremely low income residents. A portion of the food program provides midday lunches for homeless individuals, 3 days a week. In 2008-09, the homeless lunch program served 457 unduplicated individuals, with an average of 120 served each month.

7. HOMELESS HOUSING GAP

Table 34 summarizes the housing and subpopulations of the homeless in the City of Santa Clara. It clearly demonstrates the City's support for homeless families with children, a category in which the City has exceeded its allocated need by 187 beds. Two currently planned developments will address the City's unmet need for permanent supportive housing for individuals. Overall, the City exceeds its allocated needs by 58 beds.

Table 34 (HUD Table 1A)
Homeless and Special Needs Populations (City of Santa Clara)
Continuum of Care: Housing Gap Analysis Chart

Individuals				
	Current Inventory	Under Development	Estimated Need (a)	**Unmet Need/Gap**
Emergency Shelter	20	0	0	**(20)**
Transitional Housing (b)	15	0	3	**(12)**
Permanent Supportive Housing (c)	7	46	214	**161**
Total Beds	**42**	**46**	**217**	**129**
Persons in Families with Children				
	Current Inventory	Under Development	Estimated Need (a)	**Unmet Need/Gap**
Emergency Shelter	0	0	0	**0**
Transitional Housing (b)	20	0	11	**(9)**
Permanent Supportive Housing (c)	221	0	53	**(178)**
Total Beds	**241**	**0**	**64**	**(187)**

Sources: SCC 2009 Continuum of Care Application; 2009 Homeless Census and Survey; City's Affordable Housing List

Continuum of Care: Homeless Populations and Subpopulations Chart

Part 1: Homeless Population	**Sheltered**		**Unsheltered**	**Total**
	Emergency	**Transitional**		
1. Homeless Individuals	20	22	288	330
2. Homeless Families w/Children	0	85	1	86
2a. Persons in Homeless Families w/Children	0	233	2	235
Total Homeless Persons (lines 1 + 2a)	**20**	**255**	**290**	**565**

Sources: SCC 2009 Continuum of Care Application; 2009 Homeless Census and Survey

Part 2: Homeless Subpopulations (d)	**Sheltered**	**Unsheltered**	**Total**
1. Chronically Homeless	17	121	138
2. Seriously Mentally Ill	36		
3. Chronic Substance Abuse	43		
4. Veterans	25		
5. Persons with HIV/AIDS	0		
6. Victims of Domestic Violence	13		
7. Youth	1		

Sources: SCC 2009 Continuum of Care Application; 2009 Homeless Census and Survey

(a) Estimated Needs is based on the Countywide Gaps Analysis in the 2009 Continuum Care of Application. The City's share of the need was 7.4%.
(b) Transitional Housing is based on transitional facilities in the City whose maximum stay is 2 years or less.
(c) Permanent Supportive Housing includes transitional facilities whose maximum stay is 2 or more years.

8. CHARACTERISTICS OF THE HOMELESS

The best available data on homeless subpopulations is for the entire County. Data presented in this section is thus based on statistics for the entire County, as presented in the County's 2009 CofC application to HUD. HUD requires that each entitlement jurisdiction identify needs and gaps in services within its boundaries. To meet those HUD requirements, the countywide characteristics and demographics of the homeless were allocated to each entitlement jurisdiction based on the 2009 Census and Survey. The discussion of sub-groups below incorporates data from the 2009 Census and Survey.

Homeless Families: Between 2007 and 2009, the percentage of homeless families with children decreased from 24% to 18%. Of those families with children, 50% had children ages 5 and younger living with them; 20% had two or more children aged 0-5. Over 85% of homeless school-aged children (6-17) were attending school. Almost one in five families had one or more children in foster care. Three facilities in the City provide housing for homeless families with children: Sobrato Family Living Center, Homesafe-Santa Clara, and the Bill Wilson Youth Parents with children facility. The last permanent residence of one-quarter of the families at those facilities. Only one unsheltered family was counted in the City in the 2009 Census.

Homeless Individuals: Homeless individuals comprise a little less than half the homeless population in the City of Santa Clara as compared to 84.1% of the homeless population in the County. The overwhelming majority (77%) of single homeless adults are male. In 2008-09, EHC Lifebuilders reported that 117 persons residing in shelters outside the City, most of whom were single males, last had a permanent residence in the City. Similar information from other providers within the county is not available. Homeless individuals are disproportionately Black or Hispanic

Table 35
RACE/ETHNICITY OF COUNTY HOMELESS POPULATION, 2009

Census Year	White, not Hispanic	Hispanic	Black	Asian
2009	32.6%	32.6%	20.0%	4.0%
2007	35.7%	27.6%	21.7%	4.2%

Source: 2009 Homeless Census and Survey

The City has one 146-unit Single Resident Occupancy facility on former City-owned land. That facility is not included in the City's inventory of homeless facilities, but is included in the City's inventory of Assisted Housing.

Chronically Homeless: Almost 36% of the County's homeless meet the definition of chronic homelessness. That number is almost twice as high as the national average.[24] The number of chronic homeless persons in the County in 2009 increased by 35% over 2007. Over 46% of 2009 survey respondents stated that they had been homeless for more than 1 year.

[24] 2007 Annual Homeless Assessment Report (AHAR) to Congress

Table 36
CHANGES IN HOMELESS SUBPOPULATIONS, 2007-2009

	Sheltered			Unsheltered			Total		
Subpopulation	**2007**	**2009**	**Change**	**2007**	**2009**	**Change**	**2007**	**2009**	**Change**
Chronically Homeless	146	195	33.6%	1,534	2,075	35.3%	1,680	2,270	35.1%
Severely Mentally Ill	533	409	-23.3%	1,336	1,222	-8.5%	1,869	1,631	-12.7%
Chronic Substance Abuse	128	492	284.4%	872	2,301	163.9%	1,000	2,793	179.3%
Veterans	237	283	19.4%	705	583	-17.3%	942	866	8.1%
Persons with HIV/AIDS	34	5	-76.5%	235	99	-57.9%	269	104	-61.3%
Victims of Domestic Violence	95	149	56.8%	622	533	-14.3%	717	682	-4.9%
Unaccompanied youth	48	17	-64.6%	114	46	-59.6%	162	63	-61.1%

Source: 2009 Homeless Census and Survey

Persons with Severe Mental Illness: Severe mental illness includes the diagnoses of psychoses (e.g. schizophrenia) and the major affective disorders (e.g. bipolar, major depression). To qualify as chronic, the illness must have existed for at least one year. According to national estimates, approximately one percent of the adult population meets a definition of severe mental illness based on diagnosis, duration, and disability. This population showed a slight decline in 2009.

Persons with Substance Abuse Problems: This group is the fastest growing subpopulation of those groups HUD requires jurisdictions to report. This group represented 15% of the homeless in 2005, 30% in 2007 and 41% in 2009. A substantial number of homeless surveyed in 2009 (39%) stated that substance abuse had precipitated continual job loss and a subsequent inability to pay rent, resulting in eviction from their homes. That figure is almost twice the percentage making that statement in 2005. A substantial percentage (87%) of homeless persons were currently experiencing substance abuse and not receiving counseling was 87%. That percentage is virtually the same as in the last two surveys. Of respondents who were currently experiencing alcohol or drug abuse, 39% cited the use of alcohol or drugs as the primary cause of their homelessness in 2009, compared to 31% in 2007.

Veterans: The number of homeless veterans increased slightly, but there are fewer veterans who are unsheltered. Historically, the percentage of homeless who are veterans in Santa Clara County is about half that of homeless throughout the country.

Persons Infected with HIV/AIDS: This sub-group was the fastest decreasing sub-population among the homeless. The National Commission on AIDS states that up to half of all Americans with AIDS are either homeless or in imminent danger of becoming homeless due to their illness, lack of income or other resources, and weak support networks. The Commission further estimates that 15 percent of all homeless people are infected with HIV. Only 1% of survey respondents said they had AIDS/HIV.

Persons Suffering Domestic Violence: Many single women and women with children become homeless as the result of domestic violence. According to a study by the U.S. Conference of Mayors, 34 percent of the cities surveyed identified domestic violence as a primary cause of homelessness. Nationally, approximately half of all women and children experiencing

homelessness are fleeing domestic violence.[25] Homeless women often require additional counseling to work through psychological impairment from physical abuse to transition into the mainstream. About 1 in 7 homeless persons reported the domestic/family violence was the primary cause of their homelessness. The City's Homesafe-Santa Clara project helps address this cause of homelessness.

Youth: In 2005, the Countywide Five-Year Plan states that the fastest growing segment of the homeless population is children. Approximately 25 percent of newly homeless persons in the County were children under 18. As Table 36 shows, the number of youth under 18 has drastically decreased, although the age group of 18-21 increased significantly. Five homeless residential facilities, owned and operated by Bill Wilson Center in the City, address the issue of at-risk youth, including unaccompanied minors under 18

The Bill Wilson Center operates four facilities for homeless youth in the City. Thus the percentage of homeless youth in the City is substantially higher than the 2% countywide. These homeless youth are difficult to track because of their highly transient nature, their distrust of adults, and their distrust of services, usually born out of fear of being incarcerated or institutionalized.

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The high cost of housing is a significant contributor to homelessness. The 2000 Census found that 4,774 households in the City paid more than 50% of their income for housing. More significantly, 2,691 of those households were extremely low income (making less than 30% AMI). This population is seriously at risk for homelessness, vulnerable to any adverse financial event, such as unemployment, high medical bills, or a major car repair bill. The special populations discussed below are all more likely than the City's general population to be extremely low income.

The characteristics of the homeless have changed significantly in the last ten years. The section below highlights those changes by comparing the results of the 2009 and 1999 surveys. When particularly enlightening, 1995 survey results are also included. Five major changes in the characteristics of the homeless occurred between 2009 and 1999.

- Only 7% Santa Clara County's homeless population were children as compared to 31% in 1999. It was 43% in 1995. The construction of new housing for homeless families was a significant reason for this decline.

- Just over 23% of homeless adults are female, as compared to 35% in 1999. Female heads of household make up over two thirds of homeless families, indicating that they also benefited from new housing for homeless families.

- For one third of the respondents in 2009, job loss and the high cost of housing were the primary reasons for their homelessness. Over 60% of homeless adults identified one of these two reasons as the primary cause for their homelessness in 1999.

- The percentage of working homeless was 16%. In 1999, it was 34%.

[25] National Coalition for the Homeless, *NCH Fact Sheet #1: Why Are People Homeless?* September 2002.

9. SUMMARY OF HOMELESS NEEDS AND OBJECTIVES

For almost two decades, the City of Santa Clara's policy regarding homelessness has focused on two strategies to reduce homelessness.

- Identify sub-populations who are at-risk of becoming homeless, and fund interventions to prevent them from becoming homeless. The City has focused on two sub-populations: extremely low income families and at risk-youth.
- Provide a continuum of care for persons seeking to extricate themselves from the cycle of homelessness. That continuum includes emergency housing, transitional housing and permanent housing.

The current City inventory has exceeded the need for housing for homeless families. Its next two planned developments for homeless persons will address housing needs of individuals. In this area, the City will continue to support Bill Wilson Center and its efforts to address the needs of at-risk youth. The City's emphasis on addressing homelessness will continue to be preventative, focusing on the housing and service needs of the near homeless ELI households in the City, and assistive, providing a continuum of care to support households seeking to break the cycle of homelessness.

DESCRIPTION OF COMMUNITY NEEDS:
Special Needs Populations

1. SUMMARY OF SIGNIFICANT TRENDS, 2000-2015

- The goal of the senior service programs funded by the City is to assist seniors to continue to live independently, in their home.
- Since 2005, the City of Santa Clara has targeted its public service funds on programs that focus on extremely low income households.
- The 2000 Census counted 7,786 City residents, including 1,245 children living in households whose income was below the Census Bureau federal poverty level.
- One in seven City households, consisting of 12,355 residents, including 1,577 children, receive some sort of public assistance.
- State and federal poverty guidelines are being re-evaluated, to reflect the greater costs of housing, health care and childcare in Santa Clara County.

2. THE ELDERLY

In 2009, there were 13,244 residents of the City of Santa Clara who were age 65 and older; that figure represented 11.3% of the City's population. In 1990, seniors made up 9.9% of the population. With the "baby boom" generation now entering its seventh decade, the number and portion of the City residents who are seniors is expected to increase significantly in the next five years.

The 2000 Census also found that 7.9 percent of the City's elderly population was living below the poverty level (857 seniors). By comparison, 6.4 percent of the senior population in Santa Clara County was living below poverty level.

The 2000 Census indicated that 42.7 percent of the elderly population in the City of Santa Clara had a disability, compared with 39.3 percent of elderly residents in Santa Clara County. The Census counted 8,828 total disabilities among residents in the City who are 65 years of age or older. Of these disabilities, 827 were self-care disabilities, and 2,099 were go-outside-home disabilities. It should be noted that seniors may have more than one type of disability; therefore, the number of disabilities do not equal the number of seniors with disabilities.

In 2005, almost 10% of respondents to the City of Santa Clara Mail-In Survey identified Senior Services as one of the two most important needs in the City. In the past fifteen years, the City has, on average, used about 33% of its CDBG/RDA public service funds for Senior Services. Many of these services are designed to stretch the household dollars for seniors, including two food assistance programs, two transportation programs and free legal services for common civil matters. In FY 2008-09, 2,290 elderly residents of the City received services from 8 senior programs funded by the City.

The City operates a Senior Center at 1303 Fremont Street, constructed in 2007. The Center serves almost 9,000 seniors in it various activities and services. That number includes duplicated individuals so the actual number of seniors served is less.

Frail Elderly: A significant segment of the senior population has one or more conditions that affect major life functions, their ability to live independently, and their ability to care for themselves. These individuals are sometimes referred to as "frail elderly." Because people are living longer, an increasing number of seniors will be aged 75 and older. Since 1990, the City's population aged 75 and older has increased by over 65%. One in three of these seniors lives alone; one in eight has income below the poverty level. These elderly have greater need for medical and in-home assistance. Advanced age, living alone and income status are key indicators of seniors at-risk for institutionalization. The goal of the City's senior service program is to prevent institutionalization, by providing in-home assistance and support. There are three approaches to address this issue:

1. Expand In-Home Support Services: The federal, state and county government all provide funding for such activities. In-home support services are facing budget cuts at all three levels. The City's ability to fund such services is limited because of the decline in City general fund revenues and the projected decreases in CDBG, the City's primary source of public funding for social services. The City supports two food assistance programs and two transportation programs that provide this approach. Those programs extend the limited, fixed income of extremely low income seniors. Shared senior housing and greater use of volunteers are two other approaches the City funds to prevent institutionalization.

2. Support Spouses or Adult Children Who Care for their Senior Parents: The City assists this approach through a myriad of senior services. The focal point for this activity is the Senior Case Management Program, which the City makes available through the City's Senior Center. Senior Day Care is another means of reducing stress on caregivers. The City funds one such service program and has provided capital assistance to another.

3. Build More Senior Housing with Support Services: Current assisted living facilities have experienced weak demand. RDA funds were used to construct a 104 bed assisted living facility that opened in July, 2004. That project has continued to have financial difficulties because it has never fully "rented up." Senior housing projects that include meals and housekeeping are another approach, but they often require on-going financial subsidies in order to keep rents affordable.

3. PERSONS WITH DISABILITIES

The 2000 Census found that 14,915 City residents reported one or more disabilities. In the age group 21-64, 9,187 (14.0% of that age group) had a disability. Most of these persons do not require special, segregated housing. However, the 2000 Census indicated that 35.8% of the disabled population, aged 21-64 in the City of Santa Clara was unemployed. Lack of adequate income is one significant obstacle to housing for the disabled in the City.

Persons with Physical Disabilities: The 2000 Census identified 3,467 City residents, aged 16-64, who suffered from a disability that affected their ability to work without some accommodation.

Ninety two percent (92%) of this population makes less than 50% of the area median income. The Silicon Valley Independent Living Center (SVILC) is a primary resource for persons with disabilities. Among its 22 programs, it provides job training, job referrals and advocacy and assistance to persons with disabilities seeking reasonable workplace accommodation so that they may become productive members of society. The City has supported SVILC services to the disabled for over 25 years.

Architectural and physical barriers limit the accessibility of persons with physical disabilities to public facilities and public transportation. The City has an Americans with Disabilities Act (ADA) Advisory Committee to help it identify such barriers, particularly those that might not comply with ADA requirements. CDBG funds have been used on various projects to assure accessibility to public/governmental buildings, public meetings, public parks and public transportation. Annually, the City undertakes a curb cut project at 40-50 intersections in the City, to facilitate sidewalk usage by mobility impaired persons.

Persons with Mental Disabilities: According to the Santa Clara County Mental Health Department, mental health needs in the area continue to exceed available support services. The Department estimates that 24,000 people in the County need case management services (social worker assistance to obtain basic needs), yet only about 5,000 places currently exist in the inventory of services, resulting in an unmet need of 19,000 case management places. Similarly, 29,000 people in the County need mental health care, while only 19,000 people are able to be served. This leaves a gap of about 10,000 people needing services countywide. Data specific to the City of Santa Clara is not available. The City's total population is 6.1% of the County's. Based on those figures, The City estimates that there are 610 people with mental illnesses in the City who need services. Nearly all of this population needs housing placement assistance, as well as life skills training.

The Housing Choices Coalition (HCC), an agency addressing the housing needs of the developmentally disabled – reports that at least 7,000 people of all ages in Santa Clara County currently have mental retardation, cerebral palsy, autism or other developmental disabilities. The San Andreas Center, a non-profit organization serving persons with developmental disabilities, estimates that 3,100 developmentally disabled adults are over the age of 18. Based on the City of Santa Clara having 6.1% of the County's total population, an estimated 342 City residents have a developmental disability, 189 of whom are adults. Many of the developmentally disabled live on Social Security income with additional income from work, family or other sources. HCC reports that it is not uncommon for a disabled adult to earn less than $10,000 per year.

4. EXTREMELY LOW INCOME HOUSEHOLDS

As discussed previously, there is simply not enough money to build the housing needed by lower income households. For this reason, since 2005, the City of Santa Clara has targeted its public service funds on programs that focus on ELI households. In FY 2008-09, 76.7% of beneficiaries of the City's 24 funded public services programs were ELI. Since 2005, the City has added three public service programs to its list of funded agencies: (1) St Justin Community Ministry, which, in FY 2008-09, provided food assistance to 1,575 households (6,999 persons), of which 1,529 were ELI; (2) Sacred Heart Community Services, first funded in FY 2009-10, which, in the first half of that year, provided case management services to 47 households, 46 of which were ELI; and (3) Santa Clara Family

Health Foundation, first funded in FY 2009-10, which, in 2009, provided health insurance to children in 320 households, 246 of which were ELI. Beginning July, 2010, the City will fund a new program, which will provide emergency rental assistance for an estimated 50 City households, 90% of which are expected to be ELI.

These three programs have one common characteristic; they provide ELI households with assistance in meeting the costs of the basic needs of a stable household: shelter, food, medical care and transportation. This assistance helps ELI households to meet the costs for basic needs in the face of an over 50% housing cost burden. The RDA funds 7 programs which assist special needs populations with housing issues such as fair housing, landlord-tenant dispute resolution, foreclosure prevention, shared housing and support services for special needs populations living in subsidized housing. In FY 2008-09, three food programs and two transportation programs funded with CDBG provided ELI households assistance with those basic needs valued at more than $1.5 million.

5. FEMALE-HEADED HOUSEHOLDS

The 2000 Census found that there were 3,659 households occupied by a female head of household within the City of Santa Clara, representing 9.5% of the total households. By comparison, 10% of total households in the County were headed by a woman.

A subset of ELI households that is especially vulnerable is single-parent households, particularly female-headed households (FHH). As of January, 2010, 699 single parent households (typically made up of a single mother and two children) residing in the City received some form of public assistance. These households received in average of $694/month in cash and $308/month in food stamp assistance.[26] In FY 2008-09, the City's public service programs assisted 856 FHH households, about one fourth of all household assisted; over 90% of those FHH households were extremely low income. FHH households comprises about one third of all extremely low income renter households paying more than 50% of their income for housing.

In the City of Santa Clara 2005 Mail-In Survey, female heads of household identified, in order of priority, Homebuyer Assistance, Park/Recreation Facilities, Job Creation/Retention, Youth Centers, and At-Risk Youth Services as the five most important community needs from a list of 38 types of activities that could be eligible for CDBG funds.

6. SURVIVORS OF DOMESTIC VIOLENCE

The City of Santa Clara considers domestic violence victims and their children to be a special needs population. Recent data on domestic violence in Santa Clara County is scarce, and there are no available data regarding domestic violence in the City of Santa Clara. However, the available data provide a general outline of conditions. According to Deputy District Attorney Rolanda Pierre Dixon, 4,538 domestic violence cases were referred to the district attorney's office for prosecution in 2009, a

[26] Santa Clara County Social Services Agency, Quarterly Statistical Report of Public Assistance Families, January 1, 2010.

15% decrease since 2004. The District Attorney's Office filed charges in 2,686 of them, a 27% decrease since 2004.[27]

In 2004, Santa Clara County had a record low of six domestic violence-related deaths, the first time that number had fallen to single figures since 1996. In 2009, there were 11 deaths from domestic violence in the County, the highest number since a record 21 in 2003. In that year, the City had 8 domestic violence-related deaths. While one year's statistics do not establish a long-term trend, the Domestic Violence Council Death Review Committee believes that some of the ways domestic violence issues can be prevented are through continued reporting of non-lethal incidents by the community, arrest and confiscation of guns by police officers, prosecution by the district attorney's office, appropriate sentences for perpetrators by judges, advocacy and support by community organizations, collaborative community awareness campaigns and counseling for victims, children and perpetrators.[28]

The City provides funds to two programs that provide support services for victims of domestic violence. In FY 2008-09, those agencies provided services to 167 City residents.

7. PERSONS WITH SUBSTANCE ABUSE/ADDICTION DISORDERS

Substance abuse is the leading cause of homelessness in Santa Clara County. It is also a significant factor in many domestic violence incidents. The California Department of Alcohol and Drug Programs (ADP) reports that there were 22,345 admissions to alcohol and other drug treatment facilities in California during the 2007-2008 fiscal year. The number of individuals admitted to treatment during the year was 174,066 and on any given day, there were 115,677 clients in treatment. Clients may have multiple admissions to treatment during a year, accounting for the higher number of admissions compared to clients. The majority of clients admitted to a treatment program were men, representing 62% of admissions. The highest percent of admissions were for treatment of methamphetamine addictions at 34%; alcohol treatment represented 20% of admissions.[29] Within Santa Clara County, there were a total of 9,358 adult admissions to outpatient and residential treatment facilities during the 2002-2003 fiscal year. The median length of stay for those treated in residential programs was 35 days, while it was 84 days for those treated in outpatient programs. No data are available concerning the residences or housing status of persons admitted or discharged. Five primary substances accounted for the large majority of treatment admissions – methamphetamines (47%), alcohol (24%), marijuana (11%), cocaine (10%), and heroin (5%). Criminal justice referrals accounted for 76% of treatment admissions in Santa Clara County in 2003.[30]

As a result of the State's budget crisis, funding for substance abuse treatment programs has been reduced substantially. The State's 2009-2010 budget eliminated funding for the Substance Abuse and

[27] Santa Clara County District Attorney, 2004 Domestic Violence Statistics; new release, February 12, 2010.
[28] www.fugitive.com/archives/18509.
[29] California Department of Alcohol and Drug Programs, "California Alcohol and Other Drug (AOD) Treatment Report: Fiscal Year (FY) 2007-2008." www.adp.ca.gov/oara/pdf/.
[30] Santa Clara Department of Alcohol & Drug Services, Annual Report – FY 2003. www.sccgov.org/SCC/docs/Alcohol.

Crime Prevention Act, which provided first- and second-time nonviolent drug offenders the opportunity to receive substance abuse treatment instead of incarceration.[31]

8. PERSONS WITH HIV/AIDS

According to the Center for Disease Control and Prevention (CDC), among the fifty states, California has the second highest number of AIDS cases reported cumulatively from the beginning of the epidemic through April, 2009. The California Department of Health Services reported that there have been 153,901 individuals with AIDS and 36,412 people with HIV in the State through April 2009. Within Santa Clara County, 4,121 cases of AIDS and 762 cases of HIV have been reported cumulatively through April 2009. At that time 2,008 individuals with AIDS and 755 people with HIV were alive.[32] Medical advances in the treatment of HIV and AIDS allow individuals living with the disease to have longer life expectancies and many are able to continue living without the need of government assistance. As such, not all of the 2,763 persons in the County with HIV/AIDS need assistance from the government.

Due to its prominence as the largest city in the county, the City of San Jose is the local entitlement jurisdiction that receives HUD funds under the Housing Opportunities for Persons with AIDS (HOPWA) program. In consultation with other jurisdictions in Santa Clara County, San Jose is required to use the HOPWA funds in ways that best address the countywide housing and support service needs of low-income persons were have been diagnosed as HIV-positive. For the last three years, City staff participated in the evaluation of applications for HOPWA funding. During that period, Health Connections has been the sole County recipient of HOPWA grants, averaging about $720,000 per year, to provide in-home support services and administer the Shared Housing Assistance Placement and Support Services and Special Project of National Significance (HOPWA SPNS). In 2008-09, the program served 749 persons in the County, of which 187 received rental assistance (TBRA); 30 Santa Clara residents received supportive services, and 6 received TBRA.

9. PEOPLE IN POVERTY

The federal poverty level guidelines are issued each year by the U.S. Department of Health and Human Services. That figure is the basis for programs whose eligibility is based on some percentage of the poverty level. The Census Bureau uses a more complex structure that varies by type of household as well as number of persons in the household. For example, for a 1-person senior household, the Census poverty level is $10,289; for a 1-person non-senior household, it is $11,161. The HHS poverty threshold for a 1-person household is $10,830, regardless of household type. For both calculations, the amounts are the same for the contiguous 48 states and the District of Columbia. Table 37 provides the 2009 HHS poverty guidelines, the poverty threshold range of the Census Bureau, and the HHS guidelines as a percentage of the AMI in Santa Clara County. They are

[31] State of California, "2009-2010 Enacted Budget Summary," July 28, 2009. www.ebudget.ca.gov/pdf/Enacted/.

[32] California Dept of Health Services, "HIV/AIDS Surveillance in California," April 2009. www.cdph.ca.gov/programs/aids/Documents/

effective through March 31, 2010. The poverty guidelines are updated each year using the change in the average annual Consumer Price Index for All Urban Consumers (CPI-U). Since the average annual CPI-U for 2009 was lower than the average annual CPI-U for 2008, poverty thresholds for 2009 are slightly lower than the corresponding thresholds for 2008.

Table 37
COMPARISON OF POVERTY GUIDELINES WITH AREA MEDIAN INCOME, 2009

Persons in Household	HHS Guideline	Census Bureau Range	HHS % of SCC AMI
1	$10,830	$10,287 - $11,161	14.7%
2	$14,570	$12,968 - $14,787	17.3%
3	$18,310	$16,781 - $17,285	19.3%
4	$22,050	$21,756 - $22,490	20.9%
5	$25,790	$25,211 - $27,074	22.6%
6	$29,530	$28,130 - $30,815	24.1%
7	$33,270	$30,845 - $35,537	25.4%
8	$37,010	$35,000 - $39,847	26.6%

Sources: Federal Register, 1/23/09, Volume 74, Number 14, pp. 4199-4201; Census Bureau.

The 2000 Census counted 7,786 City residents living in households whose income was below the Census Bureau federal poverty level. That number included 1,097 families, with 1,245 children under 18 years of age. In a high cost area such as Santa Clara, the poverty level does not provide a complete picture of the economic struggles of the working poor who live in the City. A better indicator is the number of residents receiving some sort of public assistance. In the final quarter of 2009, 6,021 City households, or 1 in 7, received some sort of public assistance. There were 12,355 person residing in those households. That number included 1,577 children under the age of 18.[33]

In terms of national programs based on the poverty level, a high cost area such as Santa Clara, the poverty level is about 20% of the AMI. Since the poverty guidelines throughout the country are the same, the poverty level in low cost areas can exceed 50% of the AMI of those regions. The poverty level has also been criticized because it is based on family spending patterns from the 1950's, which, compared to 2010, over-emphasized the cost of food and under-emphasized the cost of housing, health care and childcare. In 1995, the National Academy of Sciences (NAS) published an independent study of how poverty is measured and how it should be updated. In 2009, Rep. Jim McDermott introduced The Measuring Poverty Act (MAP), which would implement the recommendations of the NAS. The legislation would take into account cost differences across the country. The MAP Act would develop a new poverty, which could be used to measure the success of anti-poverty strategies. Additionally, the bill would further the development of a decent living standard—in the tradition of basic needs budgets and self-sufficiency standards—to measure the extent to which people can meet additional needs while living modestly, and a medical care risk measure, which would measure the extent to which people are unable to afford needed medical care.

In 2008, a number of organizations committed to the reduction of poverty in California, including United Way Silicon Valley, prepared a Self-Sufficiency Standard for California. The Standard was based on the NAS recommendations and the work of Dr. Diana M. Pearce of the University of Washington. The Self-Sufficiency Standard measures how much income is needed for a family of a

[33] SCC Social Services Agency, Quarterly Statistical Report of Public Assistance, 1/1/2010.

certain composition in a given county to adequately meet their basic needs. The Standard is calculated for 156 family types, from a one adult family with up to four children to four or more adults and three or more children.[34] In general, the self-sufficiency standard is about 50-60% of the AMI for Santa Clara County.

As another countywide anti-poverty initiative, the *First Steps to Cutting Poverty in Half by 2020* report for Santa Clara County includes an Action Plan to reduce the number of households living below the Self-Sufficiency Standard. That Action Plan addresses the need and goals associated with food, housing, health care, education, and income. It was prepared by Step Up Silicon Valley, a community-based initiative that includes community-based organizations, the public sector (including the cities of Palo Alto, Santa Clara, and San José, and the County of Santa Clara), faith communities and businesses, and is part of the national Campaign to Reduce Poverty in America.

In addition, in 2009, Sacred Heart Community Service (SHCS), the Santa Clara County Community Action Agency, received funding under the Community Service Block Grant (CSBG) program to provide a broad range of anti-poverty services including financial training and individual development accounts, family services, emergency assistance loans, job search assistance, and essential services (i.e., food, shelter, clothing). Beginning in 2009, the City has collaborated with SCHS to provide case management for ELI residents who access SCHS services, using CDBG funds. CSBG funded 90% of that program's cost.

In like manner, the City has supported other organizations that receive federal funds and address issues of poverty and self-sufficiency. The City of Santa Clara is a participating member of the North County Consortium of Neighborhood Self Sufficiency Centers whose mission is to support the long-term sustainability and self-sufficiency of CalWorks families. The consortium is made up of over 30 businesses, agencies and schools that have a record of successful work with CalWorks clients. This consortium has created four self-sufficiency centers in northern Santa Clara County, all located in high-poverty areas. In Santa Clara, one center is located at the Scott Lane Elementary School and another at Kathryn Hughes Elementary School. In addition to these sites, the Career Center on the Santa Clara Adult Education Campus provides direct employment placement and other career-related services. Participants in the program are provided a comprehensive assessment of individual and family needs. Employment services, job skills training, job retention assistance, basic education, childcare, housing assistance and other appropriate support services are all coordinated by the Site Coordinator and tracked using the state mandated reporting system. The goal is to serve 100 clients each year at the four sites, with a placement rate of 65%, job retention rate of 70% and a 10% increase in average weekly wage within six months.

A total of 590 City households were participating in the CalWORKS Program in January, 2009. The SCUSD Adult Education Center has a CalWORKs Site Representative who acts as a liaison for participating CalWORKs students and Santa Clara County Social Services Agency. Some of these responsibilities include ensuring that all participants on campus are remaining in compliance with federal regulations, developing a 'welfare to work' plan, reporting monthly attendance to the County for each participant, and reporting progress reports on a quarterly basis for each participant CalWORKs student to the County. On occasion, it is required that the Site Representative meet in

[34] Pearce, D. & Cassidy, R, Overlooked and Undercounted: A new perspective on the struggle to make ends meet in California, University of Washington (2003).

person with a participant and their social services worker to discuss progress. Monthly meetings are held for Site Representatives with County Social Services workers in an effort to be sure that the correct services and plans are being developed for participants on campus. Other site representative duties include career and educational counseling, as well as making referrals to appropriate supportive services. In addition to the Site Representative, the Adult Education Center has a Career Advisor for CalWORKs students to help them in job placement, resume development, and interviewing skills.

In 1983, the City of Santa Clara joined with several other cities to create the North Valley Job Training Consortium (NOVA) in response to the federal Job Training Partnership Act, which was replaced by the Workforce Investment Act (WIA) in 2000. The consortium is a private/public partnership made up of representatives of local government, business and industry, labor, education and training systems, employment services, and community support organizations. Currently, the cities of Santa Clara, Sunnyvale, Milpitas, Mountain View, Cupertino, Palo Alto and Los Altos are participating members. NOVA (North Valley Job Training Consortium) is funded entirely through federal, state and foundation grants, with the primary resources coming from the WIA. For FY 2008-09, NOVA's budget was approximately $9,000,000.

When the American Recovery and Reinvestment Act was announced in February 2009, NOVA was allocated new resources of almost $4.7 million to be spent by June 2011. These stimulus funds allowed NOVA to increase its funding for training for job seekers at public and private training providers. NOVA's WIA allocations for FY 09–10 totaled $3 million, and similar funding for FY 10–11 is anticipated. NOVA also applied for state WIA discretionary funding to augment its resources for dislocated workers and received $6 million for FY 09–10.

With the downturn in the economy, the new resources were greatly needed as NOVA's customer flow increased. In 2009, NOVA served 12,472 clients through the CONNECT! Job Seeker Center (one-stop career center). CONNECT! Is a comprehensive resource center open to all job seekers, which offers computer access, a resource library, resume assistance and job search workshops. Many of the services and programs provided by NOVA target disadvantaged youth and adult populations, who may have limited education and/or barriers to employment. For adult services in 2009, 1,330 Santa Clara residents accessed the career center, receiving 13,763 individual services. For youth services, 54 young Santa Clara residents were enrolled for in-depth career guidance services. NOVA's ARRA funding allowed for a much-expanded summer youth program in 2009, including paid work experience.

In response to the economic downturn and continuing unemployment, in 2009 NOVA's Rapid Response program was available to assist 10,331 laid-off employees of 173 downsizing companies (up 63% over 2008) in northern Santa Clara County. This program includes assistance to 3,275 individuals who were laid off by 33 companies located in Santa Clara. Though the majority of job seekers served through NOVA are "dislocated" or laid off workers, affected by the downsizing or closure of their companies, NOVA also helps job seekers with special needs, e.g. homeless veterans, disabled workers, welfare recipients, teen parents, and older workers. NOVA partners with many organizations in order to provide these job seekers with customized employment and training solutions.

Through the initiative known as EDGE (Education, Diversity, and Growth in the Economy), NOVA and its partners are developing a comprehensive regional workforce strategy for Silicon Valley that

will improve access to skill building and adult education and training, and will build and strengthen alliances that link job seekers, employers, educators, and other key stakeholders. The goals of this project are aligned with and represent the next evolution of the California EDGE Campaign at the statewide level.

Other grant investments that benefit the Santa Clara population include:

1. NOVA is still enrolling low-income adults into training programs through its stimulus funding, and expects to serve an additional 82 individuals by June 2011.
2. Veterans Employment-Related Assistance Program (VEAP) grant from the California Employment Development Department to serve veterans in Santa Clara and San Mateo counties with serious barriers to employment. This grant began in December 2009 and will operate through June 2011, serving 200 veterans.
3. Homeless Veterans Reintegration Program (HVRP) grant from the U. S. Department of Labor to serve veterans who are both homeless and facing other barriers to employment. For FY 09–10 and FY 10–11, the grant will fund services for 280 veterans each year.
4. NOVA has received continued funding for a Disability Program Navigator position at the CONNECT! Job Seeker Center. The goals of this grant are to improve access to integrated employment services for individuals with disabilities and to create linkages with employers to promote the hiring of persons with disabilities.

The Housing Authority has been approved as a Moving to Work (MTW) Agency in January, 2008. That program will allow the HACSC additional administrative flexibility between programs. The Housing Authority of the County of Santa Clara (HACSC) has developed an annual plan to implement the MTW demonstration program. The MTW plan, which covers the period from July 1, 2009 through June 30, 2010, addresses changes the agency is proposing to implement in the second year of the MTW demonstration program. The three major goals for the MTW program are to increase cost effectiveness, to promote self sufficiency, and to expand housing options for program participants. The proposed changes for FY 2010 continue HACSC's focus on streamlining procedures and creating more efficient programs.

The City's Section 3 Affirmative Action Plan was last updated in March, 1989. The purpose of the plan is to assure that new jobs created by the use of federal entitlement funds provides opportunity for the recruitment, training and employment of low income persons residing in the City of Santa Clara. To this end, the stated purpose of the plan is to "provide lower income residents within the project area [Santa Clara City] the opportunity for employment and training and for the awarding of contracts to businesses located or owned in substantial part by persons residing in the project area." This action plan is required of all contracts for non-exempt projects funded by HUD. Projects with less than $200,000 in CDBG/HOME funds are exempt from Section 3 requirements.

10. SPECIAL NEEDS POPULATIONS PUBLIC SERVICE OBJECTIVES

Table 38 estimates the number of households in Special Need population groups, which are in need of one or more community support services. Priority Need is based on the history of the City's past priorities and available resources. The Estimated Dollar Need is based on the City's current cost/person of existing services funded by the City or the RDA, or by outside entities for those services not funded by the City; the Estimated Dollar Need does not include housing costs. The Estimated Dollar Need is the cost of providing services to all households in need over 5 years. The Estimated Needs and Goals are expressed in households; the average City household has 2.63 persons. The Goals represent the annual household goal for the first year of the Five Year Consolidated Plan. In subsequent years, if federal CDBG funds decrease, the annual goals would be decreased proportionately. The goals would primarily be met by public service/affordable housing service activities.

Table 38 (HUD Table 1B)
SUMMARY OF SPECIAL NEEDS (NON-HOMELESS) POPULATIONS GOALS, 2010-15

Special Needs Population	**Priority Need**	**Estimated Need**	**Est Dollar Need**	**Goals**
Elderly	High	1,435	$ 241,080	580
Frail Elderly (Senior w/disability)	High	905	$ 204,530	700
Physical Disability	High	1,400	$ 446,600	1,319
Mental Illness Disability	Low	610	$3,896,680	- 0 -
Developmentally Disability	Medium	340	$1,700,000	- 0 -
ELI Working Families	High	2,210	$ 428,740	- 0 -
Female-Headed Households	High	1,105	$ 214,176	808
Survivors of Domestic Violence	High	555	$ 99,900	123
Substance Abuse/Addiction	Low	630	$ 630,000	- 0 -
HIV/AIDS	Low	30	$ 28,830	- 0 -
Large Families	High	2,470	$ 479,180	267
TOTAL PERSONS		**11,670**	**$8,370,256**	**3,797**

Notes: Goals and Estimated Needs are one year totals and represent unduplicated persons within each category.
Estimated Need and Goals numbers are all calculated as individual Persons

The City's goals are the sum of the individual goals of unduplicated clients served for public service agencies funded by the City/RDA. Agencies report data on income, household size, number of seniors, number of persons with disabilities and number of female-headed households (defined as female householder, no husband present, with own children under 18 years). One category, Survivors of Domestic Violence is based on the number of persons served by two domestic violence agencies funded by the City. It is likely that there are survivors of domestic violence served by other agencies, but the City cannot determine that based on data available. Individuals may receive benefits from more than one service agency. To protect Client confidentiality, the City makes no attempt to cross reference names of Clients Served by each of the individual agencies. Therefore, the Total Persons goal does not reflect an unduplicated client count.

The City does not anticipate funding any Low Priority public services over the next five years. The City does not anticipate funding and Medium Priority public services, other than those currently funded, unless there is an increase in CDBG funding over the FY 2010-11 allocation.

DESCRIPTION OF COMMUNITY NEEDS:
Public Services and Facilities

As discussed above, the Santa Clara County economy continues to produce jobs at a pace faster than population growth. For this reason, the City of Santa Clara has not used its federal entitlement funds in job creation or job retention projects. Instead, the City has focused its resources on low income residents who have financial, physical and mental difficulties in keeping up with the expensive and fast pace of life in Silicon Valley. Resources have been focused on public services, public facilities and infrastructure in low income neighborhoods, in an effort to maintain and improve the quality of life.

1. SUMMARY OF SIGNIFICANT TRENDS, 2000-2015

- The last two years have seen a significant decrease in public and private funding for social services.
- In that period, the City has increased its funding for public services by 24%.

2. PUBLIC SERVICES FUNDING LIMITATIONS

In carrying out projects to meet the community needs, the City has identified three fundamental obstacles to meeting under-served needs:

Insufficient Funding Resources: By law, the City can only use 15% of its CDBG entitlement, plus 15% of its previous year's program income, to fund public services. Historically, the City has used CDBG funds for public services to the maximum allowed by law. The City supplements that source by using RDA funds for affordable housing service activities; the use of RDA funds is limited to housing activities. In FY 2010-11, $208,821, an amount roughly equal to available CDBG funds, will be used for Affordable Housing Services. In the last two years, the City has also used funds from the City Affordable Housing Fund (CAHF) to fund CDBG-eligible public services. Guidelines for the use of CAHF funds for public services limits to the amount of interest-earned on the CAHF in the previous year with an annual increase no greater than 5%. For FY 2010-11, that amount is approximately $25,000. In FY 2010-11, the combined CDBG, RDA and CAHF Public Service funding will be $446,146. As Table 38 indicates, that amount will be significantly less than the amount necessary to meet unmet community service needs. CDBG funding is projected to decrease over the next five years.

Increased and Changing Needs: With insufficient sources of funds, the ability of the City to fund increased and emerging needs is extremely limited. The City's policy has been to continue to support those funded agencies that have a record of providing quality services that meet identified, critical community needs. However, external circumstances change. The economic downturn experienced since 2007 has reduced the number of jobs and has strained the financial stability of ELI working families. The City addressed that issue by funding a 2009-10 stimulus package of $161,853, from RDA and CAHF, for service programs. The funds available for next year are 5% more than was provided in FY 2009-10. Those efforts added 3 new programs in the last 5 years. Two new

programs, Heart of the Valley volunteer Coordinator and Innvision Emergency Rental Assistance, will be added in FY 2010-11. During that period, the City has maintained funding for agencies funded prior to 2005, despite a 17% decrease in the City's annual CDBG allocation.

Insufficient Sources of Funds for Non-Profits: Santa Clara County has a vibrant and entrepreneurial non-profit infrastructure. However, the recession since 2007 has no only led to a precipitous decline in government funding for social services, but has seen a significant decline in private funding as well. The City's stimulus efforts in the last two years have partially addressed that issue, but many non-profits have been forced to reduce staff and services in order to cope with decreased resources. Private fundraising for operating expenses of public service programs is especially difficult because of the predilection for private funding to seek high profile projects and a preference that no funds be used for administration and overhead. As a result, non-profits find that the supply of unrestricted funds that can be used to pay necessary administrative costs is being squeezed. In recent years, several foundations have begun to address these issues. United Way of Silicon Valley has addressed it by focusing on a specific set of priority needs based on various countywide needs assessments. The City supports those efforts. City policy is to fund a reasonable administration and overhead cost as well as direct service costs.

Another consequence of this trend has been an increase of mergers among non-profits. When mergers result in consolidation of overlapping and duplicative services and administration, they can result in a more effective delivery of services. However, mergers can also result in a dilution of an agency's mission or an acquisition of unfunded liabilities. The City has reviewed three proposed mergers involving its non-profit sub-recipients in the last five years. That trend is likely to continue.

3. ACTIONS TO ADDRESS PUBLIC SERVICE FUNDING LIMITATIONS

Reduce Administrative Impact on Public Services: Administrative requirements divert non-profit funds from direct services to administration and overhead. In a period of declining public and private funds, increased administrative costs means decreased services. In the last five years, the City of Santa Clara has taken several steps to reduce the administrative requirements of public service agencies: (1) Public Service agencies with at least three years of satisfactory performance are eligible for 3-year agreements, reducing the need for annual contract preparation and need to submit annual applications; (2) Reduced reporting requirements from 4 times per year to 2 times per year, the minimum allowed by CDBG; (3) Reduced on-site monitoring to once every three years, except for new or non-performing programs; and (4) Developed a consolidated system of monitoring for projects with multi-jurisdiction HOME funding.

HUD has suggested that one solution to the cost of administration for non-profits would be to set a substantial minimum funding level (e.g. $25,000) for public service programs. Such an action would seriously impact the 7 non-profits who receive grants of less than $10,000 per program year. For PY 2007, 9 public service receiving less than that amount, 7 of which receive less than $10,000. That result is contrary to the City's identified needs and stated strategies for addressing those needs. Many of the agencies that the City funds are locally-based and address the needs of hard-to-reach special needs populations in the City. Some of those same agencies have small budgets and even a modest grant from the City is a critical component in their ability to deliver needed service to needy residents.

The City's experience is that "bigger is better" is not a solution to the increasing administrative and reporting burdens required by HUD. Instead, the City will continue to address this issue by reducing the administrative impact of CDBG and HOME funds to the minimum requirements of each of those programs.

Collaboration with Other Entitlement Jurisdictions: Many of the service needs of residents of the City of Santa Clara are countywide issues. The entitlement jurisdictions in Santa Clara County have regularly met for over fifteen years to discuss and address countywide needs. Participation in stakeholders meetings are an important incubator for identifying emerging needs and developing realistic initiatives for meeting those needs valuable to meet regularly to discuss common issues and to plan and coordinate regional solutions to community needs. For the next five years, the City will work with other CDBG entitlement jurisdictions to reduce administrative costs in the following areas:

(1) Standardize application forms for all CDBG entitlement communities in the County.
(2) Standardize report forms for all CDBG entitlement communities in the County.
(3) For public service agencies funded by more than one jurisdiction, develop a consolidated monitoring system similar to the HOME monitoring system.

Selectively target funds to Extremely Low Income Households and Identified Special Needs Populations: The City has updated its Objective Criteria for evaluating funding requests for new and/or expanded public services. This evaluation method will be used to evaluate public service applications for the FY 2011-12. The criteria are divided into four categories. All applicants must demonstrate that their proposed programs meet all four of the Basic Eligibility Criteria. There are 8 categories of program evaluation, 2 priority targeting (weighted quadruple), 3 major criteria (weighted double), and 3 minor criteria. Each category of program evaluation has four sets of criteria for scoring an application, High=3, Medium=2, Low=1, or Zero.

Basic Eligibility Criteria

Serve Low Income Persons: At least 51% of beneficiaries have income less than or equal to 80% Area Median Income, adjusted for family size. This criteria is required under CDBG.

New/Expanded Service: Must be a new service, expansion of an existing service, or, under limited circumstances, demonstrate a loss of past year funding for reasons beyond the control of the applicant. This criteria is required under CDBG.

Non-Duplication: Must not duplicate existing City services or City-Funded services.

Precedent for City Funding of Activity: The service does not establish a precedent for funding an activity that (a) is the primary responsibility of another government level (e.g., medical services); or (b) is a type of service that is not eligible for CDBG funding.

Priority Targeting (x4)

Income Targeting: HIGH—90% or more of the beneficiaries of the service are below 30% AMI; MEDIUM—75% or more of beneficiaries of the service are below 30% AMI; LOW—50% or more of the beneficiaries of the service are below 30% AMI; ZERO—less than 50% of the beneficiaries of the service are more below 30% AMI.

Special Needs Population Targeting: HIGH—90% or more of the likely beneficiaries of the service are members of one of the special needs populations identified in Table 37; MEDIUM—75% or more of the likely beneficiaries of the service are members of one of the special needs populations identified in Table 37; LOW—50% or more of the likely beneficiaries of the service

are members of one of the special needs populations identified in Table 37; ZERO—less than 50% of the likely beneficiaries of the service are members of one of the special needs populations identified in Table 37.

Major Program Evaluation Criteria (x2)

Type of Service Activity: HIGH—the type of service activity is a high priority in the Table 38; MEDIUM—the type of activity is a medium priority in Table 38; LOW—the type of activity is a low priority in Table 38; ZERO—the type of activity is not directly or indirectly addressed in the ConPlan.

Experience Providing Service: HIGH—has provided the service for more than six years; MEDIUM—has provided the service for 3-6 years; LOW—has provided the service less than three years; ZERO—has not previously provided the service.

Provide Service in Other Jurisdictions: HIGH—receive or are requesting funds from at least five other jurisdictions, receive or are requesting funds from all jurisdictions in which they provide the service, or provide services only to City residents; MEDIUM— receive or are requesting funds from 2-4 other jurisdictions; LOW— receive or are requesting funds from 1 other jurisdiction; ZERO— receive or are requesting funds from no other jurisdictions, but provide service to non-City residents.

Minor Program Evaluation Criteria (x1)

Experience Providing the Service in the City: HIGH—has provided services to City residents for more than six years; MEDIUM—has provided services to City residents for 3-6 years; LOW—has provided services to City residents less than three years; ZERO—has not previously provided services to City residents.

Leveraging Non-City Funds: HIGH--City funds pay less than 10% of cost of service provided to City residents; MEDIUM—City funds pay 10-25% of cost of service provided to City residents; LOW--City pay 25-50% of cost of service provided to City residents; ZERO—City funds pay more than 50% of cost of service provided to City residents.

Private Fund Sources: HIGH—private funds make up more than 25% of agency's operating budget; MEDIUM—private funds make up 10-25% of agency's operating budget; LOW—private funds make up less than 10% of agency's operating budget; ZERO--no private funds contribute to the agency's operating budget. In-Kind Contributions can be counted only if they are included in an agency’s annual audit or have been documented to the satisfaction of the City.

Stress on Outcomes as Well As Production Goals: In its last Five Year Consolidated Plan, the City established productivity performance goals. The goals were based on the program priorities set forth in the Plan. The Plan described identified needs and desired outcomes and how achieving the quantitative goals would accomplish desired outcomes. Success in achieving the productivity goals was presumed to mean success in meeting the program desired outcomes.

In response to HUD Notice CPD-03-09, issued September 3, 2003, the City required all applicants for FY 2004-05 federal funds to include productivity performance goals and, for the first time, project impact goals. Beginning July 1, 2004, each public service activity had its own set of quantifiable project impact goals, e.g. outcomes.

- Cash Savings to Beneficiaries: Agencies whose services provide basic needs such as food, transportation and day care. For FY 2010-11, seven agencies will provide basic services to special needs populations that provide an in lieu cash benefit in excess of $1,900,000/year.

- Empowerment: Agencies that provide services such as counseling, legal assistance, fair housing, and information and referral, which assist people in solving immediate life problems and provide them the tools and resources to successfully deal with similar problems in the future. Most of these agencies conduct "before and after" surveys that quantify increases in self-esteem and knowledge. Ten agencies provide services whose measured outcome is greater ability to handle life's issues. These agencies provide services with an estimated market value of $400,000/year.

- Alternative Housing: Five RDA-funded agencies provide housing with supportive services. Alternative housing includes shared housing and transitional housing. These agencies provide housing and support services with an estimated market value of $3,600,000/year.

4. PUBLIC SERVICE OBJECTIVES

Table 39 estimates the number of persons that are in need of one or more types of public services.

Table 39 (HUD Table 2B)
COMMUNITY DEVELOPMENT NEEDS (Public Services), 2010-2015

Public Service Type	Priority Need	Fund Source	Estimated Need	Est $ Need	Goal
Senior Services	High	CDBG/RDA	2,340	$ 569,520	2,067
Handicapped Services	High	CDBG/RDA	1,740	$ 555,060	626
At Risk Youth Services	Medium	CDBG/RDA	900	$ 427,295	300
Transportation Services	High	CDBG	830	$ 697,325	800
Substance Abuse Services	Low	None	630	$ 630,000	- 0 -
Battered and Abused Spouses	High	CDBG/RDA	555	$ 99,900	123
Employment Services	Medium	CDBG	6,000	$ 600,000	180
Fair Housing Activities	High	RDA	135	$ 37,310	50
Tenant/Landlord Counseling	High	Gen Fund	715	$ 136,500	275
Child Care Services	Medium	CDBG	800	$8,000,000	180
Health Services	Medium	Gen Fund	730	$ 662,840	320
Abused & Neglected Children	Medium	CDBG	1,220	$ 219,600	59
Mental Health Counseling	High	CDBG	610	$ 105,950	410
Lead-Based Paint Screening	Low	None	100	$ 50,000	- 0 -
Food Assistance	High	CDBG	8,700	$1,261,275	5,415
Foreclosure Assistance	High	RDA	400	$ 85,525	128
Emergency Rental Assistance	High	RDA	100	$ 80,000	50

Notes: Goals and Estimated Needs are one year totals and represent unduplicated persons within each category.
Estimated Dollar Need includes leveraged funds, which sometimes exceeds $9.00 for every $1.00 of City/RDA funds. Cost are based on total cost/client for currently funded programs (those with Goals).

Priority Need is based on the history of the City's past priorities and available resources. The Estimated Dollar Need is based on the City's current cost/person of existing services funded by the City or the RDA, or by outside entities for those services not funded by the City; the Estimated Dollar Need does not include housing costs. The Estimated Dollar Need is the cost of providing services to all persons in need of that type of service in the next 5 years. The Estimated Needs and Goals are expressed in persons. The Goals represent the annual goal of persons served for the first year of the Five Year Consolidated Plan. In subsequent years, if federal CDBG funds decrease, the annual goals would be decreased proportionately. The goals would primarily be met by public service/affordable housing service activities.

The City does not anticipate funding any Low Priority public services over the next five years. The City does not anticipate funding and Medium Priority public services, other than those currently funded, unless there is an increase in CDBG funding over the FY 2010-11 allocation.

The City's goals are the sum of the individual goals of unduplicated clients served for public service agencies funded by the City/RDA. Agencies report data on income, household size, number of seniors, number of persons with disabilities and number of female-headed households (defined as female householder, no husband present, with own children under 18 years). One category, Survivors of Domestic Violence is based on the number of persons served by two domestic violence agencies funded by the City. It is likely that there are survivors of domestic violence served by other agencies, but the City cannot determine that based on data available. Individuals may receive benefits from more than one service agency. To protect Client confidentiality, the City makes no attempt to cross reference names of Clients Served by each of the individual agencies. Therefore, the Total Persons goal does not reflect an unduplicated client count.

5. CDBG CAPITAL IMPROVEMENT ACTIVITIES: PUBLIC FACILITIES AND INFRASTRUCTURE

Use of CDBG funds on public improvements can only occur in income-eligible areas. The CDBG program defines income eligibility as any block group with 51 percent or more of the population earning incomes less than 80 percent of the AMI or, the 25% of inhabited block groups with the highest portion of low income households. The latter method applies to Santa Clara. For the City of Santa Clara, all inhabited block groups with a lower income portion of 41.3% or higher are considered low income areas for purposes of determining eligibility as a low income area.

Each year, about 65% of CDBG funds are available for Capital Improvement Projects (CIP). In FY 2010-11, that amount will be about $750,000. The City has focused these CIP funds on three major areas, allocating about one-third each to housing rehabilitation, accessibility modifications and public facility/infrastructure improvements. If CDBG revenue continues to decline over the next five years, the City will be hard-pressed to continue providing assistance in all three of these areas.

That pressure will have a domino effect on housing rehabilitation activities funded by HOME and CDBG. The last five years have already seen an increase in the use of HOME funds for the City's Neighborhood Conservation and Improvement Program (NCIP) homeowner rehabilitation activities. Continuing that trend would have negative impacts on both the NCIP and HOME programs.

Increased reliance on HOME funds for the NCIP limits the flexibility of the program because of the after-rehabilitation home value restrictions under HOME. Because rental rehabilitation activities leverage little or no non-City funds, the substitution of HOME funds for CDBG for housing rehabilitation would effectively decrease the ability of the City to use its HOME funds to leverage non-City dollars. The RDA 55 year affordability requirements limits the use of the Affordable Housing Set-Aside funds for rental rehabilitation. The result of using more HOME funds for NCIP would be less new construction of transitional housing facilities for ELI special needs populations with HOME funds. Construction of transitional housing with HOME funds has been the primary source of leveraged, non-City funds.

In accordance with its Americans with Disabilities Act (ADA) Compliance Plan, the City has upgraded the accessibility of a number of public facilities, including parks, libraries and governmental buildings. The 1990 ADA law, while instrumental in addressing the civil rights of persons with disabilities, is a perfect example of an unfunded, federal mandate. CDBG was considered by Congress to be the source of federal funds to meet the mandate. The City of Santa Clara, mindful of its legal and moral obligations to its residents with disabilities, undertook to systematically assess its public facility accessibility barriers and diverted CDBG funds from other activities to remove those barriers. Each year, the City uses about $160,000 in CDBG funds to undertake curb cuts at 25-30 intersections located throughout the City. At least every other, year, $200-250,000 in CDBG funds have been used for accessibility improvements at City parks. The City will continue to give the highest priority to using CDBG CIP funds to remove architectural barriers at publicly-owned facilities and City public works projects meeting the Area Benefit.

In the last five years, the City has used CDBG funds for three types of public facilities projects: non-profit service centers (including the City's Senior Center), low income area park improvements and historical preservation. The City anticipates doing one service center and one parks improvement project in the next five years. Use of CDBG funds for historical preservation will be a low priority unless it provides direct benefit to lower income residents.

The City anticipates that one or more projects in the next 5 years will be related to the City's emergency preparedness plan. The Collaborating Agencies' Disaster Relief Effort (CADRE), a countywide entity made up of public and private agencies, has encouraged jurisdictions to develop emergency preparedness plans, with a particular priority of assisting vulnerable populations such as seniors. Officials from all levels of government emphasize that, in the event of a major emergency, local agencies will likely be on their own for at least 72 hours before basic services can be reasonably restored. To that end, the City has created an Emergency Operations Center (EOC). The EOC has identified the Senior Center as one of the City's community facilities best suited to provide shelter for vulnerable populations displaced by a disaster. Infrastructure projects related to emergency preparedness will have to meet the Low/Mod Income National Objective in order to be eligible for CDBG funds.

6. PUBLIC FACILITIES AND INFRASTRUCTURE OBJECTIVES

Table 40 (HUD Table 2B)
COMMUNITY DEVELOPMENT NEEDS (Public Facilities and Infrastructure), 2010-2015

Community Development Need	Priority Need	Estimated Need	Est Dollar Need	Goals
PUBLIC FACILITY NEEDS (projects)				
Senior Centers	HIGH	1	$ 150,000	1
Handicapped Centers	MEDIUM	1	$ 350,000	0
Homeless Facilities	MEDIUM	1	$ 350,000	0
Youth Centers	MEDIUM	1	$ 350,000	0
Neighborhood Facilities	MEDIUM	1	$ 350,000	0
Parks and/or Recreation Facilities	HIGH	5	$1,750,000	5
Parking Facilities	MEDIUM	1	$ 350,000	0
Child Care Facilities	MEDIUM	1	$ 350,000	0
Health Facilities	LOW	1	$1,500,000	0
Non-Residential Historic Preservation	LOW	0	- 0 -	0
Other Public Facility Needs	MEDIUM	1	$300,000	1
INFRASTRUCTURE (projects)				
Solid Waste Disposal Improvements	LOW	0	- 0 -	0
Flood Drain Improvements	LOW	0	- 0 -	0
Water/Sewer Improvements	MEDIUM	0	- 0 -	0
Street Improvements	MEDIUM	0	- 0 -	0
Sidewalks	HIGH	5	$800,000	5
Other Infrastructure Needs	LOW	0	- 0 -	0

The City does not anticipate funding any Low Priority public facilities/infrastructure projects over the next five years. The City does not anticipate funding and Medium Priority public services, other than those currently funded, unless there is an increase in CDBG funding over the FY 2010-11 allocation.

In the 1990's, the City used CDBG funds for infrastructure improvements in several low income areas of the City that had been recently annexed by the City. Because those projects involved localized improvements only, they met the national objective of benefiting lower income residents. In the next five years, the City will not use CDBG for infrastructure projects unless the project is localized in a CDBG low income area.

DESCRIPTION OF COMMUNITY NEEDS: ECONOMIC DEVELOPMENT

Prior to 2000, the City of Santa Clara has produced jobs faster than the growth of its population. For that reason, the City of Santa Clara has chosen not to use its federal entitlement funds for job creation or job retention projects in the past. Instead, the City has focused its resources on lower income residents who have financial, physical and mental difficulties in keeping up with the expensive and fast pace of life in Silicon Valley. Resources have been focused on public services, public facilities and infrastructure in low income neighborhoods, in an effort to maintain and improve the quality of life. However, that job growth trend has reversed in the last decade. In the next five, the City will consider the use of CDBG funds for job creation and retention in conjunction with economic in two areas of the City: (1) the El Camino Real corridor; and (2) The Downtown (Old Quad) Development.

1. SUMMARY OF SIGNIFICANT TRENDS, 2000-2015

- Between 2000 and 2005, the number of jobs in the City declined by 26,680 (20.3%).
- Before the recession began in 2008, ABAG had projected there would be 111,560 jobs in the City in 2015.
- In December, 2009, the unemployment rate in Santa Clara County was 11.5%

2. ELIGIBLE USES OF FEDERAL FUNDS FOR ECONOMIC DEVELOPMENT

The term "economic development" can be interpreted broadly to include all endeavors aimed at sustaining or increasing the level of business activity. In a sense, housing, public services or improved public facilities and infrastructure can all be viewed as improving the level of business activity. Under CDBG, there are two categories of economic development: (1) assistance to a private, for-profit business; and (2) investments in activities benefiting a specific geographic area as part of a larger economic development plan. In both cases, CDBG capital funds may be used for acquisition, construction, reconstruction, rehabilitation or installation of equipment. In the second instance, infrastructure improvements may also be eligible.

Providing direct financial assistance to a business is the most common use of CDBG funds to promote economic development. The Consolidated Plan workshops indentified a need for business development, mentoring and loan programs to help local entrepreneurs to establish or expand their businesses. Such assistance must take one of four forms to be eligible for CDBG:

- Assistance to a commercial business which serves a low income area.
- Assistance directly linked to the creation or retention of permanent jobs for lower income persons.
- Assistance to a business in a designated slum or blight area.
- Assistance to an individual business located outside a blight area, which is designed to eliminate specific conditions of blight or physical decay. Slum and blight rehabilitation is restricted to exterior work only.

Before it can provide assistance, the City must make a "necessary or appropriate" finding that the amount of CDBG financial assistance is not excessive in light of the actual need of the business and the expected benefit. Economic benefit is measured in jobs created/retained and/or lower income persons to whom the goods and services of the business are provided.

Because the HOME Program focuses on the development of affordable housing, it cannot be used for economic development activities that are eligible under CDBG. However, HOME funds can be used in mixed residential-commercial developments in proportion to the amount of affordable housing in a mixed use project.

3. EL CAMINO REAL CORRIDOR

The City developed guidelines for development along the El Camino Real thoroughfare in 2009. Those guidelines, which span a number of subject areas, are proposed for consideration in the City's comprehensive General Plan Update. If approved, the guidelines would be the basis for a future economic plan. CDBG and HOME funds may be used to assist individual, new or improvement of existing developments along the corridor. The guidelines are:

- Target housing and job growth in strategic areas along the corridor.
- Encourage compact mixed-use development and high-quality urban design and construction.
- Create a pedestrian-oriented environment and improve streetscapes, ensuring full access to and between public areas and private developments.
- Develop a balanced multimodal corridor to maintain and improve mobility of people and vehicles.
- Manage parking assets.
- Provide vibrant public spaces and gathering places.
- Preserve and accentuate unique and desirable community character and the existing quality of life in adjacent neighborhoods.
- Improve safety and public health.
- Strengthen pedestrian and bicycle connections with the corridor.
- Pursue environmentally sustainable and economically viable development patterns.
- Communicate early with the community in the development process.

4. ECONOMIC DEVELOPMENT OBJECTIVES

In the next five years, the City will assess the need for economic development to individual, for-profit commercial businesses. Based on that assessment establishing a sufficient need, the City would design, develop and implement a program for providing such assistance with CDBG funds. The City has a medium priority to fund capital improvement projects involving job training centers. There is identified need for such activity at the time this Five Year Plan was developed.

Table 41 (HUD Table 2B)
COMMUNITY DEVELOPMENT NEEDS (Economic Development), 2010-2015

Community Development Need	Priority Need	Est Need	Est Dollar Need	Goals
ED Assistance to For-Profit Businesses	MEDIUM	Unknown	Unknown	0
ED Technical Assistance to Businesses	MEDIUM	Unknown	Unknown	0
ED Micro-Enterprises Assistance	MEDIUM	Unknown	Unknown	0
C/I Rehabilitation	LOW	Unknown	Unknown	0
C/I Infrastructure Development	LOW	Unknown	Unknown	0
C/I Other Improvements	LOW	Unknown	Unknown	0
C/I: Commercial or Industrial Improvements by City or Non-Profit entity as part of an economic development project.				

The City does not anticipate funding any Low Priority economic development activities over the next five years.

ADMINISTRATIVE POLICIES AND SUPPORT ACTIVITIES

1. Institutional Structure and Coordination

The Housing and Community Services Division of the City's Planning and Inspection Department will continue to administer the City's CDBG and HOME Programs. That division is also responsible for administering the RDA's Affordable Housing Set Aside Fund and the other funding sources discussed in an earlier section. That consolidation assists the coordination of CDBG and HOME activities with RDA affordable housing activities. The City conducts an annual application process for CDBG, HOME, and RDA Housing funds. That application encourages the development of collaborative projects and the leveraging of private funds.

The City of Santa Clara will continue its participation in regional efforts to address community needs that are countywide. The CDBG Coordinator Committee, including representatives from all entitlement jurisdictions in Santa Clara County, meets regularly to coordinate regional efforts. Those meetings have included staff from HUD's San Francisco office, the Housing Authority, non-profit collaboratives such as the Homeless and Domestic Violence groups, the United Way, the County Human Relations Commission and other County entities.

The City participates in regional partnerships such as the Santa Clara County Housing Action Coalition, the North County Consortium of Neighborhood Self-Sufficiency Centers and the North Valley Job Training Consortium, public-private efforts to leverage resources and establish programs to address the issues of affordable housing and poverty. The City will continue to support these organizations and will encourage similar collaborative efforts that may develop in the future.

2. Geographical Distribution of Community Assistance

The geographical distribution of federal assistance is based largely on the degree of benefit afforded very low and low income people. While this Plan has identified areas of concentrations of low-income or racial/ethnic citizens, the City of Santa Clara attempts to reach all less advantaged persons regardless of their area of residence. Public service activities are allocated funding support based on direct benefit to low-income clients who are Santa Clara residents. Beneficiaries of CDBG or HOME funded activities are generally disbursed throughout the community; there is no geographical preference made in the provision of assistance. The one exception to this policy is the City's Neighborhood Enhancement Initiative. That project identifies low-income neighborhoods and brings together various City departments to meet with residents to discuss and establish their needs and goals for their community.

The City's policy, as stated in the Housing Element, is to disperse affordable housing to all residential areas of the City. The Planning Division is responsible for monitoring the implementation of this policy. Potential projects involving development of multi-unit, affordable housing are referred to the Planning Division for analysis of the degree of concentration within the particular neighborhood the project is proposed.

3. Affordable Housing

To overcome this lack of sufficient funds and the high cost escalating cost of housing, the City will select proposed eligible projects based on the following priorities:

- No low priority needs will be funded with federal funds.
- Projects leveraging non-City funds at greater than 4-1 will be given higher priority.
- Entitlement funds will focus on limited, special population projects, particularly ELI households;
- RDA funds will focus on larger, new construction projects.
- Entitlement funds will focus on renter projects.
- Self-Help homeowner projects for very low income households will be given high priority.

4. Homeless and Near Homeless

The City has been and will continue to be an active supporter of the Santa Clara County Collaborative on Affordable Housing and Homelessness. In the next five years, as in the past, a City representative will, from time to time, sit on the Rating Sub-Committee. The City will develop and coordinate its efforts with the County to eliminate chronic homelessness.

In addressing the needs of homeless and near homeless persons, the City will continue to work with other entitlement jurisdictions in the County to provide technical assistance and financial support to those agencies providing services and housing for the City's homeless.

5. Lead Based Paint Hazards

In its single family rehabilitation, multi-family residential rehabilitation, acquisition and conversion from non-residential housing projects, the City will continue to implement and comply with federal and state requirements. Those requirements include a written notice to all households of the possibility of lead-based paint. Routinely, housing units that are being rehabilitated or acquired are tested for lead-based paint if they may have last been painted prior to 1978. When testing results indicate the presence of lead, the paint is removed and disposed of according to federal standards.

6. Persons with AIDS

Due to its prominence as the largest city in the county, the City of San Jose is the local entitlement jurisdiction that receives HUD funds under the Housing Opportunities for Persons with AIDS (HOPWA) program. In consultation with other jurisdictions in Santa Clara County, San Jose is required to use the HOPWA funds in ways that best address the countywide housing and support service needs of low-income persons were have been diagnosed as HIV-positive.

7. Fair Housing

In compliance with federal regulations, the City prepared an Analysis of Impediments to Fair Housing (AI) in August, 2007. That document set forth a five year action plan for the period 7/1/06 to 6/30/11. The City undertakes an annual review of that document and its corresponding Action Plan. The City will update the AI in 2011. The City will use RDA Affordable Housing Set Aside funds to support its fair housing agency, Project Sentinel. That action frees up scarce CDBG Public Service dollars for non-housing community services.

8. Monitoring

The City has continued to carry out an active and complete monitoring of federal funding recipients for compliance with CDBG and HOME program regulations. All Public Service agencies are required to submit two reports per year on their direct activity performance. For Public Service agencies with a history of satisfactory performance, on-site monitoring is conducted every three years. New or poorly performing Public Service agencies are monitored annually. Housing projects submit annual reports as required by their regulatory agreements with the City. These reports are due in the first quarter of each program year, reflecting the activities of projects in the preceding program year. At least every two years, on-site program audits and Housing Quality Inspections are conducted for all HOME-funded projects.

The monitoring of long-term housing projects, both federal and RDA, requires an increasing allocation of resources each year. Currently affordable housing projects have affordability periods of 30-55 years. Thus, each new housing project adds a cumulative, long-term impact on available monitoring resources required. Both federal and RDA law require the City to adequately fund its monitoring activities in order to insure compliance with the regulatory agreements. RDA law specifically allows the City to defray monitoring costs with RDA funds. In addition, AB 987 requires the City to post on its website information on its affordable housing, including compliance monitoring.

In its last 5-Year Plan, the City set a goal to "establish a stable funding base to assure compliance with long-term monitoring requirements of CDBG, HOME and RDA." In May, 2008, the City/RDA contracted with U.S. Communities Compliance Services to create and maintain a web-based monitoring and reporting system of its affordable housing properties. All affordable housing projects filed their first report on that system in July-September, 2009, for the fiscal year ending June 30, 2009. The intial set-up and annual maintenance costs are paid for with RDA Housing Set-Aside funds.

Funded agencies are also required to submit an annual financial audit with the exception of Public Service agencies with budgets of less than $100,000. For those smaller agencies, a financial statement certified by their Board President and/or Treasurer may be accepted.

In addition to the individual monitoring of federally funded programs and projects by City staff, the City also undertakes an annual Single Audit according to requirements of the federal Office of

Management and Budget. As standard practice, notification of the outcome of the annual audit report is submitted to HUD for review.

9. Minority and Women Owned Businesses

Consistent with federal requirements, the City of Santa Clara adopted a Disadvantaged Business Enterprise (DBE) Program, last updated in March, 2002. Bid packets for all projects using City CDBG and/or HOME funds require that successful bidders must undertake an outreach program consistent with that plan. The overall program goal is 8% DBE participation, but no quotas are required of individual contractors.

10. Community Housing Development Organizations

The HOME Program requires that the City set aside at least 15% of each year's annual allocation for Community Housing Development Organizations (CHDO). To meet this goal, the City of Santa Clara gives priority to CHDOs. Under federal regulations, a CHDO must include a significant representation of low income persons on its Board of Directors. In addition, a CHDO must provide a mechanism for the participation of low-income beneficiaries to advise the organization in its decision regarding the design, siting, development and management of affordable housing. Since the inception of the HOME Program, the City has successfully worked with seven CHDOs. It has always exceeded the program requirement of 15% set aside of the City's annual entitlement, averaging more than two times the minimum requirement.

11. Tenant Protections in Assisted Housing

HOME regulations require several tenant protections in the areas of fair lease and grievance procedures, right to continued tenancy, and a program of tenant participation in management and operating decisions. In its HOME-subsidized housing projects, the City of Santa Clara requires owners to adhere to those regulatory requirements. All federal-assisted rental housing projects are required to work with the City's Rental Dispute Program when differences with tenants cannot be resolved informally.

12. Section 3 Affirmative Action Plan

As part of its anti-poverty strategy the City adopted a Section 3 Affirmative Action Plan in March, 1989. The purpose of the plan is to assure that new jobs created by the use of federal entitlement funds provides opportunity for the recruitment, training and employment of low income persons residing in the City of Santa Clara. To this end, the stated purpose of the plan is to "provide lower income residents within the project area [Santa Clara City] the opportunity for employment and training and for the awarding of contracts to businesses located or owned in substantial part by persons residing in the project area." This action plan is required of all construction contracts for

projects funded by HUD that exceed $200,000. The Housing and Community Services Division monitors adherence to this policy by non-exempt contractors.

13. Federal Labor and Prevailing Wage

Most Capital Improvement Projects undertaken by the City with federal funds will require that federal prevailing wages be paid to all workers. The City will comply with all federal labor requirements. HUD Handbook 1344.1, entitled "Federal Labor Standards Compliance in Housing and Community Development Programs," is the primary source for those requirements. Because the City's NCIP projects are single-family homes, that program is exempt from the federal labor and prevailing wage requirements.

14. National Environmental Protection Act

Before expending federal funds on any activity, the City must comply with all HUD requirements related to environmental issues under the National Environmental Protection Act (NEPA). The City determines the appropriate level of environmental review and addresses all the statutes and regulations required under 24 CFR Part 58, entitled "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities."

15. Green Development

The importance of sustainable or "green" building has been highlighted in recent years at various levels of government. There have been several policies and initiatives implemented on green building at the local, state and federal levels.

In 2008, the City adopted Green Building Policies that recognize the Leadership in Energy and Environmental Design (LEED) rating system and the GreenPoint Residential rating system of Build It Green. These policies require the submittal of a completed LEED or GreenPoint checklist as part of a planning application. At this time, applicants are not required to implement green building practices. New public construction and renovation projects over 5,00 square feet, however, are required to achieve a LEED Silver Certification level or better and to recycle at least 50 percent of materials.

In 2009, HUD, along with the Department of Transportation and the Environmental Protection Agency, announced an interagency partnership for sustainable communities to help improve access to affordable housing, more transportation options, and lower transportation costs while protecting the environment in communities nationwide.

The partnership established six livability principles that will act as a foundation for interagency coordination:

- Provide more transportation choices
- Promote equitable, affordable housing

- Enhance economic competitiveness
- Support existing communities
- Coordinate policies and leverage investment
- Value communities and neighborhoods.

In 2010, the state of California adopted mandatory building regulations for all new construction in the state that will achieve major reductions in green house gas emissions, energy consumption, and water use. This is known as the CALGREEN Code, and is the nation's first statewide green building standards code and will take effect January 1, 2011.

FIVE YEAR STRATEGIES, OBJECTIVES AND GOALS

1. ANTI-POVERTY STRATEGY

As presented in an earlier section, there are two poverty level guidelines that have substantially different income levels: (1) the Federal Poverty Guidelines, 15-27% AMI; and (2) the California Self-Sufficiency Standard, 50-60% AMI. Currently, there is legislation in Congress to make significant changes to the Federal poverty standard, which, among other actions, would take into account cost differences across the country. The City supports the efforts of Step Up Silicon Valley to cut poverty in half by 2020. That group favors the self-sufficiency standard.

In addressing the issue of poverty, the City has adopted a layering strategy; the City's efforts to reduce poverty are just one layer of effort among a number of organizations that are addressing issues of poverty and self-sufficiency. The City's "layering" strategy has both horizontal and vertical components. As an example of the former, the City will focus its public service funds on in-lieu cash benefits, empowerment and alternative housing, which will bring an estimated $5.9 million in beneficial outcomes to over 11,000 City residents, helping them reach self-sufficiency. As an example of the latter, when the City creates a new affordable housing unit, it reduces the cost of housing for the resident household, thus lowering the cost of that basic need and the amount of income to achieve self-sufficiency.

As discussed throughout this document, the City's use of federal funds will concentrate on assisting Very Low (VLI) and Extremely Low (ELI) income households. Its primary goal is to assist those below 30% AMI to improve their effective income (earnings plus beneficial outcome) to greater than 30% AMI.

2. STRATEGIES TO ADDRESS IDENTIFIED NEEDS AND MEET FIVE YEAR GOALS

For the course of this five-year plan, it is the intention of the City of Santa Clara to support projects and programs that assist residents of extremely low and very low income with available federal entitlement resources. The Consolidated Plan will be implemented in concert with other planning documents that deal with meeting the needs of the City's less advantaged population. The strategies stated in the Consolidated Plan were developed in consideration of the objectives of the City's General Plan Housing Element, the Santa Clara Redevelopment Agency's Implementation Plan, the City's Analysis of Impediments to Fair Housing, the Santa Clara County's Continuum of Care Plan, the County Housing Authority's Five Year Public Housing Plan, and other published plans and policies that relate to the needs of the City's lower income households.

The over-riding issue facing Santa Clara City, and all of the Bay Area for that matter, is the acute shortage of affordable housing, particularly for households with lower incomes. The City's existing shortage of available and affordable housing has been an issue spanning more than three decades. The notable difference today is that the situation is no longer focused on just lower income households.

The price of available housing is now out of reach of even moderate income households. For this reason, the goals of the RDA Implementation Plan, as it relates to affordable housing, have been incorporated into this plan to provide a comprehensive picture of the City's affordable housing and community needs plan of activities over the next five years.

To adhere to this mission, the City will direct its attention over the next five years to support activities involving affordable housing development and support services. The method is to provide an array of programs that can address the particular needs of all income groups and the special need populations identified in this document. The strategies described in the Consolidated Plan will not, in themselves, address the full range of affordable housing needs or public service demands presented by the community over the next five years. It is the intention of the Consolidated Plan to identify the direction the City will take to address the identified needs of the community in the best possible way, given its administrative and resource limitations. The City's priority for using federal funds to address affordable housing and community needs is to focus funds on those needs that are not adequately met by other public or private funding sources or entities.

Housing and community development policies and strategies are divided into five general categories: (1) Affordable Housing; (2) Homeless; (3) Public Services; (4) Economic Development; and (5) Community Facilities and Infrastructure. The quantitative performance goals of these activities are summarized in Table 42.

A. AFFORDABLE HOUSING POLICIES AND STRATEGIES

(1) Ownership Housing: Even though Santa Clara County's Housing Opportunity Index (HDI) was at an historic high in the first quarter of 2009, it had already begun to decline by the end of 2009 see Table 16). Median home prices in February, 2010 were 21% higher than a year earlier.[35] Couple that trend with economic expectations that interest rates will begin to rise in late 2010 or early 2011, and it is clear that the County's HDI will decline over the next year. That market trend means that there will continue to be a need for homebuyer assistance for middle income households (80-120% AMI). The primary strategy for expanding the supply of affordable housing for this income group will be through the City's inclusionary zoning policies and the RDA First-Time Homebuyer Program.

For Lower Income households, while the HDI remains above historical levels, households below 80% AMI will continue to receive some benefit from the City's inclusionary zoning policies and the RDA First-Time Homebuyer Program. For households below 50%, the City will continue to support Sweat-Equity programs such as Habitat for Humanity. Because of the cost of land, the City does not see that Sweat-Equity programs can assist households below 30% AMI.

(2) Rental Housing: The City's Inclusionary Program requires that affordable rental units be provided in a proportion equal to the City's Regional Housing Needs Allocation (RHNA), 60% Very Low Income and 40% Low Income. At this time, there is no RHNA allocation for Extremely Low Income (ELI) housing units. If future RHNA allocations require ELI units, the City may adjust its affordability mix accordingly. As a previous section has shown,

[35] MDA DataQuick, 3/18/2010.

affordable rents for lower income households are at or above current market rates. Therefore, the City will not subsidize the development of rental units affordable to households above 50% AMI unless the affordability mix includes an equivalent number of ELI housing units. The City will continue to focus federal funds on Special Needs Populations. Subsidized housing for those populations will give priority to the creation of ELI units.

a) City/RDA Loans: In evaluating rental housing, the City differentiates between what it calls "Income-Producing" and "Non-Income Producing" projects. The difference is based on the likelihood that a proposed project's rental income will produce a positive net cash flow during the affordability period of the project. If a project is expected to produce a positive cash flow, City/RDA funds will be required to be repaid from that net cash flow. If a project is not expected to produce a net cash flow, typically a 100% ELI project, the City/RDA loan would be deferred until the end of the affordability period. In both cases, at the end of the affordability period, the terms of the City/RDA loan would continue in place as long as the facility was used for an affordable housing purpose approved by the City/RDA. Interest rates will be below market.

b) Maintenance: It is the City's goal that all affordable housing projects be self-sustaining. This policy means that projects must demonstrate an ability to reserve a sufficient level of funding to meet long-term repair and replacement needs. In all cases, City/RDA agreements will require a funding mechanism to assure that the project will produce a sufficient stream of available funds for repair and replacement.

c) Support Services Funding: It is the City's policy, when developing affordable rental housing, that the projects should be self-sustaining in their operations. That policy exists because the available sources of funds for operating expenses is insufficient to provide operating funds for an ever-increasing supply of affordable housing. During the 18 years of its affordable housing programs, the City/RDA has only made two exceptions to this policy: (1) Sobrato Family Living Center; (2) Homesafe Santa Clara. In both cases, the City had previously provided operation funds to the owners for activities at other facilities that were replaced by the new construction developments. The City/RDA application requires applicants to provide a sources and uses operations budget.

(3) Rehabilitation of Existing Housing: The City/RDA provides assistance for both owner-occupied and renter-occupied housing. The City's Neighborhood Conservation and Improvement Program (NCIP) program provides below-market loans to assist lower-income homeowners to repair their homes. NCIP also provides grants for accessibility modifications or emergency, safety-related repairs. The City has a written manual that describes this program in detail, Rehabilitation subsidies for rental housing require affordability restrictions for 5-55 years, depending on the source of funds and the scope of the project. When rehabilitation subsidies are provided to existing affordable housing projects whose development was originally subsidized by the City/RDA, the original affordability period will be extended.

(4) Green Building: All City adopted Green Building Policies are applicable to affordable housing development in the City of Santa Clara. Beginning with applications for PY 2011

CDBG/HOME/RDA funds, the City/RDA will require the submission of a completed Leadership in Energy and Environmental Design (LEED) rating system and the GreenPoint Residential rating system of Build It Green. Projects that exceed the minimum City or State requirements will be given greater consideration.

(5) Accessibility Design and Modification: In the development of new and acquired affordable housing, the City's encourages the development of accessibility for persons with disabilities that exceeds the requirements of applicable law. To that end, effective for all affordable housing projects involving new construction or acquisition beginning after June 30, 2010, the following accessibility requirements will be required for subsidized housing projects.

(a) City of Santa Clara (City) and the Redevelopment Agency of the City of Santa Clara (RDA) will comply with all accessibility requirements in applicable federal and state law in the development of affordable housing in the City of Santa Clara.

(b) In all affordable housing projects that are in the City and receive funds from the City and/or RDA, the City/RDA will require accessibility modifications as set forth in Section 504 of the Rehabilitation Act of 1968, if the project meets the following criteria:
1) City and/or RDA funding is in excess of $100,000;
2). The number of assisted, affordable housing units is 5 or more;
3) In the case of acquisition, the existing structural footprint would not be increased; and
4) In the case of acquisition, the existing housing does not meet the Section 504 requirements.

B. HOMELESS POLICIES AND STRATEGIES

(1) In addressing homelessness, the City/RDA will give priority to projects and services that can demonstrate the likelihood of success in prevention of homelessness among those populations identified as "near homeless."

(2) The City will continue to support transitional housing and will encourage longer transitional periods for up to five years, for persons who are homeless or near homeless.

(3) The City will continue to focus on families with children and at-risk youth in its support of projects and programs that prevent homelessness or assist homeless persons.

C. PUBLIC SERVICES POLICIES AND STRATEGIES

(1) The City's priority in funding new or expanded public service programs will be for those programs that are serving mostly ELI households and identified special needs populations. The City's primary evaluation tool will be the four-part Objective Criteria checklist presented in an earlier section.

(2) The City will continue to support currently-funded programs that are performing satisfactorily. In program years where the City has an increase or decrease of available public service funds,

the distribution of that increased or decreased funding for currently-funded programs will primarily be based on the Objective Criteria checklist.

(3) The City does not anticipate funding any Low Priority public services over the next five years. The City does not anticipate funding any Medium Priority public services, other than those currently funded, unless there is a substantial increase in CDBG funding over the FY 2010-11 allocation.

D. ECONOMIC DEVELOPMENT POLICIES AND STRATEGIES

In the next five years, the City will assess the need for economic development to individual, for-profit commercial businesses. If that assessment establishes a sufficient need, the City would design, develop and implement a program for providing such assistance with CDBG funds.

E. PUBLIC FACILITIES POLICIES AND STRATEGIES

(1) City public works projects will continue to be given priority when allocating CDBG capital improvement funds.

(2) Projects involving accessibility modifications will continue to be given priority when allocating CDBG capital improvement funds.

3. FIVE YEAR GOALS AND PROGRAMS TO MEET THOSE GOALS

Table 42 provides a comprehensive summary of the goals of all the City programs, each of which are described under the eight primary goals of the City's affordable housing and community services activity.

Table 42
HUD Table 2C for 2010-2015
SUMMARY OF SPECIFIC HOUSING/COMMUNITY DEVELOPMENT GOALS

Funding Sources	**Specific Objective**	**Performance Measure**	**Performance Goal 2010-15**	**Section 215 Goal 2010-15**
Goal One: OWNERSHIP HOUSING				
RDA	First Time Homebuyer	Housing Units	100	10
Inclusionary/RDA	Below Market Price	Housing Units	40	5
HOME/RDA	Self-Help Ownership	Housing Units	6	6
Goal Two: RENTAL HOUSING				
HOME/RDA	Acquisition	Housing Units	25	25
Inclusionary/RDA	New Construction	Housing Units	100	100
HOME/RDA	Special Needs	Housing Units	160	160
RDA	Shared Housing	Housing Units	100	100

Funding Sources	Specific Objective	Performance Measure	Performance Goal 2010-15	Section 215 Goal 2010-15
Goal Three: HOUSING REHABILITATION				
HOME/CDBG/RDA	Homeowner Rehabilitation	Housing Units	300*	300
HOME/CDBG	Rental Rehabilitation	Housing Units	150*	150
* Includes accessibility improvements on 75 homeowner/rental housing units under NCIP.				
Goal Four: HOMELESS HOUSING/SERVICES				
HOME/RDA	Rental Housing	Housing Units	40	40
RDA	Support Services	Persons	258/Year	N.A.
CDBG/CAHF	At-Risk Households	Persons	5,470/Year	N.A.
RDA	Emergency Rental Assistance	Households	100	N.A.
Goal Five: PUBLIC SERVICES FOR SPECIAL NEEDS				
CDBG	Public Services	Persons	2,500/Year	N.A.
RDA/GenFund	Affordable Housing Services	Persons	515/Year	N.A.
RDA	Foreclosure Prevention	Households	75	N.A.
Goal Six: FAIR HOUSING ACTIVITIES				
RDA/CDBG	Fair Housing Services	Persons	50/year	N.A.
Goal Seven: PUBLIC FACILITIES				
CDBG	Removal of Barriers	Projects	10	N.A.
CDBG	City Owned Facilities	Projects	2	N.A.
CDBG	Neighborhood Enhancement	Projects	2	N.A.
CDBG	Non-Profit Owned Facilities	Projects	1	N.A.
Goal Eight: ADMINISTRATION				
RDA	Long-Term Housing Monitoring	Housing Units	1,307	N.A.
CDBG	Economic Development Plan	Plan	1	N.A.

Section 215 Affordable Housing Goals: To qualify as Section 215 Affordable Housing, a rental unit must be occupied by a lower income household with a rent that is the lesser of (1) the existing Section 8 Fair Market Rent for comparable units in the area or, (2) 30% of the adjusted income of a family whose income equals 65% of the median income for the area.

Homebuyers qualify as Section 215 Affordable Housing if they are lower income, first-time homebuyers who make the purchased home their principal residence, and the price of the purchased home does not exceed the mortgage limit for the type of single family housing for the area under HUD's single family insuring authority under the National Housing Act, adjusted for high income areas (currently $736,250 for the City of Santa Clara). For rehabilitated housing, the unit must be occupied by a lower income household that uses the house as a principal residence and which has a value, after rehabilitation, that does not the mortgage limit applied to homebuyers above. Because of the high cost of ownership housing, most of the proposed, assisted ownership units are not likely to qualify as Section 215 Affordable Housing because of the mortgage limits.

Goal One: Provide Housing Opportunities to First-Time Lower and Moderate Income Homebuyers

Program 1A: First-Time Homebuyer Financing Program.

1. Need to be Addressed: High Cost of Ownership Housing; Minority Homeownership.
2 Strategies: Homebuyer Financing; Affirmative Marketing to under-represented races/ethnicities.
3. Target Population: Persons who live and/or work in the City of Santa Clara.
4. Income Targeting: Moderate Income Households.
5. Five Year Performance Goal: 100 units; Section 215 Goal: 10 units.
6. Desired Outcomes: Increase percentage of City households that are homeowners; Increase the percentage of minority households that are homeowners.
7. Funding Source: RDA.
8. Estimated Available Funds: $12,000,000.

Program 1B: Below Marketing Purchase Program.

1. Need to be Addressed: High Cost of Ownership Housing; Minority Homeownership.
2 Strategies: Reduce Purchase Price to Affordable Levels; Affirmative Marketing to under-represented races/ethnicities.
3. Target Population: Persons who live and/or work in the City of Santa Clara.
4. Income Targeting: Moderate Income Households.
5. Five Year Performance Goal: 40 units; Section 215 Goal: 5 units.
6. Desired Outcomes: Increase percentage of City households that are homeowners; Increase the percentage of minority households that are homeowners.
7. Funding Source: RDA/Inclusionary Set-Aside.
8. Estimated Available Funds: $4,500,000.

Program 1C: Self-Help/Sweat Equity Homeowner Construction.

1. Need to be Addressed: High Cost of Ownership Housing; Minority Homeownership.
2 Strategies: Reduce Purchase Price to Affordable Levels; Affirmative Marketing to under-represented races/ethnicities.
3. Target Population: Persons who live and/or work in the City of Santa Clara.
4. Income Targeting: Very Low Income Households.
5. Five Year Performance Goal: 6 units; Section 215 Goal: 6 units.
6. Desired Outcomes: Increase percentage of City households that are homeowners; Increase the percentage of minority households that are homeowners.
7. Funding Source: HOME/RDA.
8. Estimated Available Funds: $1,550,000.

Goal Two: Provide Affordable Rental Housing to Very Low Income Households, Particularly Special Needs Populations

Program 2A: Expand Affordable Rental Housing Through Acquisition/Rehabilitation.

1. Need to be Addressed: Housing Cost Burden of VLI and ELI Households; Deteriorated Rental Properties.
2 Strategies: Time rental market property values to acquire market rental properties; Rehabilitate deteriorated rental housing.
3. Target Population: Persons who live and/or work in the City of Santa Clara.
4. Income Targeting: Very Low and Extremely Low Income Households.
5. Five Year Performance Goal: 25 units; Section 215 Goal: 25 units.
6. Desired Outcomes: Reduce housing cost burden for Very Low and Extremely Low Income households.
7. Funding Source: HOME/RDA.
8. Estimated Available Funds: $1,949,594.

Program 2B: Expand Affordable Rental Housing Through New Construction.

1. Need to be Addressed: Housing Cost Burden of Lower Income Households; geographical dispersion of affordable housing.
2 Strategies: Encourage medium density and in-fill development.
3. Target Population: Persons who live and/or work in the City of Santa Clara.
4. Income Targeting: Lower Income Households.
5. Five Year Performance Goal: 100 units; Section 215 Goal: 100 units.
6. Desired Outcomes: Reduce housing cost burden for Lower Income households.
7. Funding Source: RDA/Inclusionary Set-Aside.
8. Estimated Available Funds: $32,255,100.

Program 2C: Expand Affordable Rental Housing For Special Needs Populations.

1. Need to be Addressed: Housing Cost Burden for ELI Households with Special Needs.
2 Strategies: Encourage medium density and in-fill development.
3. Target Population: Identified Special Needs Populations.
4. Income Targeting: Extremely Low Income Households.
5. Five Year Performance Goal: 160 units; Section 215 Goal: 160 units.
6. Desired Outcomes: Reduce housing cost burden for Special Needs Populations households.
7. Funding Source: CDBG/HOME/RDA.
8. Estimated Available Funds: $21,044,500.

Program 2D: Expand Affordable Rental Housing Through Shared Housing.

1. Need to be Addressed: Affordable Housing for ELI Households; Affordable Housing for Female-Headed Households; Affordable Housing for Seniors.
2 Strategies: Address need for in-home support for seniors and persons with disabilities.
3. Target Population: Seniors, persons with disabilities, female-headed households.
4. Income Targeting: Extremely Low Income Households
5. Five Year Performance Goal: 100 units; Section 215 Goal: 100 units.
6. Desired Outcomes: Reduce housing cost burden for Special Needs Populations households.
7. Funding Source: RDA.
8. Estimated Available Funds: $100,000.

Goal Three: Preserve and Maintain Existing Housing Stock Occupied by Lower Income Households

Program 3A: Neighborhood Conservation and Improvement Program.

1. Need to be Addressed: Older housing occupied by lower income homeowners; lead-based paint hazards.
2 Strategies: Provide below market loans and grants to rehabilitate owner-occupied housing.
3. Target Population: Homeowners in older housing stock.
4. Income Targeting: Very Low Income Homeowners.
5. Five Year Performance Goal: 300 units; Section 215 Goal: 300 units.
6. Desired Outcomes: Maintain housing quality standards of housing owned by low income households.
7. Funding Source: CDBG/HOME/RDA.
8. Estimated Available Funds: $5,052,426.

Program 3B: Neighborhood Conservation and Improvement Program Accessibility Modifications.

Included in Program 3A.

Program 3C: Rental Rehabilitation Program.

1. Need to be Addressed: Affordability of Assisted Housing and housing for special needs populations; lead-based paint hazard.
2 Strategies: Provide financing for assisted and special needs housing to maintain rents below affordability maximums.
3. Target Population: Residents in assisted housing and special needs housing.
4. Income Targeting: Very Low Income Households.
5. Five Year Performance Goal: 150 units; Section 215 Goal: 150 units.
6. Desired Outcomes: Maintain housing quality standards of assisted housing and special needs populations housing.
7. Funding Source: HOME/CDBG.
8. Estimated Available Funds: $931,324.

Goal Four: Provide Housing and Supportive Services to Homeless Individuals and Families

Program 4A: Housing for Homeless Individuals and Families.

1. Need to be Addressed: Transitional and permanent housing for homeless.
2 Strategies: Combine housing with appropriate support services to foster permanent, independent living.
3. Target Population: Homeless individuals and families.
4. Income Targeting: Extremely Low Income.
5. Five Year Performance Goal: 40 units; Section 215 Goal: 40 units.
6. Desired Outcomes: Permanent housing for homeless.
7. Funding Source: HOME/RDA.
8. Estimated Available Funds: $1,518,609.

Program 4B: Homeless Support Services.

1. Need to be Addressed: Transition of homeless individuals and families to permanent housing.
2 Strategies: Support homeless individuals and families residing in City's inventory of homeless housing facilities.
3. Target Population: Homeless individuals and families in City's inventory of homeless housing facilities.
4. Income Targeting: Extremely Low Income.
5. Annual Performance Goal: 258 homeless persons.
6. Desired Outcomes: Permanent housing for homeless.
7. Funding Source: RDA.
8. Estimated Available Funds: $400,000.

Program 4C: Support Entities Providing Basic Necessities to Households At-Risk for Homelessness.

1. Need to be Addressed: ELI Households with housing cost burden.
2 Strategies: Encourage development of one-stop community service agencies.
3. Target Population: Near Homeless households.
4. Income Targeting: Extremely Low Income.
5. Annual Performance Goal: 5,470 persons.
6. Desired Outcomes: Assist extremely low income households to remain in their current housing.
7. Funding Source: CDBG/CAHF.
8. Estimated Available Funds: $127,700.

Program 4D: Provide Emergency Rental Assistance to Households in Danger of Eviction for Non-Payment of Rent.

1. Need to be Addressed: ELI Households with one-time financial emergency.
2 Strategies: Pilot program to leverage other available funds to provide one-time assistance to households that can demonstrate ability to pay future rent. Program may be expanded based on success in leveraging and demonstrated need.
3. Target Population: Near Homeless households.
4. Income Targeting: Extremely Low Income.
5. Five Year Performance Goal: 100 households.
6. Desired Outcomes: Assist extremely low income households to remain in their current housing.
7. Funding Source: RDA.
8. Estimated Available Funds: $100,000.

Goal Five: Support Non-Profit Community Service Organizations That Provide Essential Services to City Residents, Particularly Identified Special Needs Populations

Program 5A: Public Services for Special Needs Populations.

1. Need to be Addressed: Social services that benefit lower income households with high housing cost burden.
2 Strategies: Work with agencies that have a history of providing services to City residents and demonstrated ability to leverage non-City funds.
3. Target Population: Identified special needs populations.

4. Income Targeting: Extremely Low Income.
5. Annual Performance Goal: 2,500 persons.
6. Desired Outcomes: Extension of income through provision of basic services; empowerment; alternative housing.
7. Funding Source: CDBG.
8. Estimated Available Funds: $1,000,000.

Program 5B: Housing Services for Special Needs Populations.

1. Need to be Addressed: Housing services that benefit lower income households with high housing cost burden.
2 Strategies: Work with agencies that have a history of providing services to City residents and demonstrated ability to leverage non-City funds.
3. Target Population: Identified special needs populations.
4. Income Targeting: Extremely Low Income.
5. Annual Performance Goal: 515 persons.
6. Desired Outcomes: Obtain or maintain permanent housing.
7. Funding Source: RDA.
8. Estimated Available Funds: $455,000. (Includes $305,000 from City's General Fund for Landlord/ Tenant mediation services).

Program 5C: Foreclosure Prevention Counseling

1. Need to be Addressed: Prevention of home foreclosures.
2 Strategies: Work with agencies that are HUD-certified to provide mortgage delinquency counseling.
3. Target Population: Homeowners who are at-risk for being delinquent on mortgage payments.
4. Income Targeting: Lower income households.
5. Five Year Performance Goal: 515 persons.
6. Desired Outcomes: Obtain or maintain permanent housing.
7. Funding Source: RDA.
8. Estimated Available Funds: $75,000.

Goal Six: Provide Services and Promotional Support to Persons Experiencing Discrimination in Housing

Program 6A: Investigate Allegations of Discrimination in Housing.

1. Need to be Addressed: Discrimination against protected classes in housing.
2 Strategies: Support HUD-certified fair housing agency that investigates discrimination complaints.
3. Target Population: Protected classes under fair housing law.
4. Income Targeting: Lower income households.
5. Annual Performance Goal: 25 investigations.
6. Desired Outcomes: Education of residents and landlords on fair housing law.
7. Funding Source: RDA.
8. Estimated Available Funds: $105,000.

Program 6B: Reduce Local Incidents of Hate Crimes.

1. Need to be Addressed: Criminal actions targeting protected classes in housing.
2 Strategies: Support police officials and community groups in the development and enforcement of policies to reduce local incidents of hate crimes.
3. Target Population: Protected classes under fair housing law.
4. Income Targeting: None.
5. Five Year Performance Goal: Average no more than one incident per year.
6. Desired Outcomes: Education of residents and landlords on fair housing law.
7. Funding Source: General Fund.
8. Estimated Available Funds: As required by City Police Department.

Program 6C: Update Analysis of Impediments to Fair Housing and Action Plan.

1. Need to be Addressed: Equal housing opportunity for all races/ethnicities.
2 Strategies: Review and update Analysis of Impediments (AI) as needed.
3. Target Population: Protected classes under fair housing law.
4. Income Targeting: None.
5. Five Year Performance Goal: Update current AI in FY 2010-2011. Annually report on progress in implementing AI Action Plan.
6. Desired Outcomes: Demonstrated diversity of housing opportunity.
7. Funding Source: CDBG/HOME Administration set asides.
8. Estimated Available Funds: $10,000.

Program 6D: Affirmative Marketing of Housing Programs and Projects.

1. Need to be Addressed: Equal housing opportunity for all races/ethnicities.
2 Strategies: Review and update program and project affirmative marketing plans.
3. Target Population: Protected classes under fair housing law.
4. Income Targeting: Moderate to extremely low income.
5. Five Year Performance Goal: Review HOME-assisted projects' affirmative marketing plans at least once.
6. Desired Outcomes: Demonstrated diversity of housing opportunity.
7. Funding Source: CDBG/HOME Administration set asides.
8. Estimated Available Funds: $60,000.

Goal Seven: Provide the Public Facilities and Infrastructure Necessary to Assure the Health, Safety and Welfare for all Residents of the Community

Program 7A: Remove Architectural Barriers from City Facilities, and City Sidewalks.

1. Need to be Addressed: Barriers to Making Public Facilities Accessible to Persons with Disabilities.
2 Strategies: Implement City's Americans with Disabilities Act Plan; Undertake curb cuts at City intersections.
3. Target Population: Persons with Disabilities
4. Income Targeting: None, persons with disabilities are presumed to be Lower Income.
5. Five Year Performance Goal: 10 Removal of Barriers Projects.
6. Desired Outcomes: Accessibility to Public Facilities by Persons with Disabilities

7. Funding Source: CDBG.
8. Estimated Available Funds: $1,731,700.

Program 7B: Improve and Upgrade City Facilities in Lower Income Neighborhoods.

1. Need to be Addressed: Adequate City facilities that meet needs of low income neighborhoods.
2 Strategies: Identify City facilities located in lower income neighborhoods, which are in need of improvements.
3. Target Population: Residents of lower income neighborhoods.
4. Income Targeting: Lower Income.
5. Annual Performance Goal: 2 Projects.
6. Desired Outcomes: Improved City services in lower income neighborhoods.
7. Funding Source: CDBG.
8. Estimated Available Funds: $300,000.

Program 7C: Enhancement of Deteriorated Lower Income Neighborhoods.

1. Need to be Addressed: Deteriorated lower income neighborhoods.
2 Strategies: Identify physical improvements needed in lower income neighborhoods.
3. Target Population: Residents of lower income neighborhoods.
4. Income Targeting: Lower Income.
5. Annual Performance Goal: 2 Projects.
6. Desired Outcomes: Improved physical appearance of lower income neighborhoods.
7. Funding Source: CDBG.
8. Estimated Available Funds: $94,000.

Program 7D: Improve and Upgrade Privately Owned Facilities Providing Services and Benefits to Lower Income Residents.

1. Need to be Addressed: Adequate physical facilities for non-profit service agencies.
2. Strategies: Accessibility to private facilities; necessary rehabilitation to maintain facilities.
3. Target Population: Agencies providing services to lower income residents, particularly special needs populations.
4. Income Targeting: Lower Income.
5. Annual Performance Goal: 1 Project.
6. Desired Outcomes: Improved access and use of privately owned facilities providing services.
7. Funding Source: CDBG.
8. Estimated Needed Funds: $100,000.

Goal Eight: Provide Planning, Development and Monitoring Administration Necessary to Carry Out the Five Year Plan Objectives and Comply with Federal and Redevelopment Law Requirements

Program 8A: Provide Stable Source of Funds for Administration.

1. Need to be Addressed: Compliance with federal statutes and regulations governing CDBG and HOME, and RDA Affordable Housing Fund.
2 Strategies: Use for administration the full amount of federal entitlement grants allowed by law; use RDA administrative funds to supplement CDBG and HOME administration funds.

3. Target Population: Not applicable.
4. Income Targeting: Not applicable.
5. Five Year Performance Goal: Not applicable.
6. Desired Outcomes: Compliance with federal and RDA requirements.
7. Funding Source: CDBG/HOME/RDA.
8. Estimated Available Funds: $2,434,249.

Program 8B: Work with Non-Profit Partners and Other Entitlement Jurisdictions in Santa Clara County to Identify Strategies to Implement More Cost-Effective Administration of Federal Program Requirements.

1. Need to be Addressed: Lack of funding for public service agency administration; compliance with monitoring requirements federal statutes and regulations governing CDBG and HOME and RDA Affordable Housing Fund.
2 Strategies: Identify new source(s) of funds; reduce administrative inefficiencies.
3. Target Population: Beneficiaries of public service agencies.
4. Income Targeting: Lower Income persons.
5. Five Year Performance Goal: Not applicable.
6. Desired Outcomes: Reduced administrative costs for public service agencies, compliance with federal and RDA requirements for long term monitoring.
7. Funding Source: CDBG/HOME/RDA.
8. Estimated Available Funds: $25,000.

Program 8C: Support Countywide Efforts of Entitlement Jurisdictions in Santa Clara County to Identify Common County Housing & Community Development Needs and Develop Common Strategies to Address Them

1. Need to be Addressed: Development of facilities in County that address multi-jurisdiction needs.
2 Strategies: Participate in CDBG Coordinators Committee; support countywide planning studies.
3. Target Population: Populations identified in Consolidated Plan.
4. Income Targeting: Lower income residents of the County.
5. Five Year Performance Goal: Participate in 2 multi-jurisdiction projects.
6. Desired Outcomes: Efficient use of scarce resources to address housing and community needs.
7. Funding Source: CDBG/HOME.
8. Estimated Available Funds: As necessary (unlikely to exceed $25,000).

Program 8D: Support Economic Development Activities that Promote Increased Economic Activity and Employment Growth, and Assess the Need and Feasibility of developing a CDBG-funded Economic Development Program for Individual, For-Profit Commercial Businesses in the City

1. Need to be Addressed: Struggling small businesses; unemployment.
2 Strategies: Assess the need for economic development to small, for-profit commercial businesses. If feasible, design, develop and implement a program for providing assistance with CDBG funds..
3. Target Population: Struggling small businesses and the unemployed.
4. Income Targeting: Lower income residents.
5. Five Year Performance Goal: If feasible, develop program for assisting small, for-profit businesses.
6. Desired Outcomes: Retain and create jobs.
7. Funding Source: CDBG Administration set aside.
8. Estimated Available Funds: $10,000, unknown amount of funds if a program is implemented.