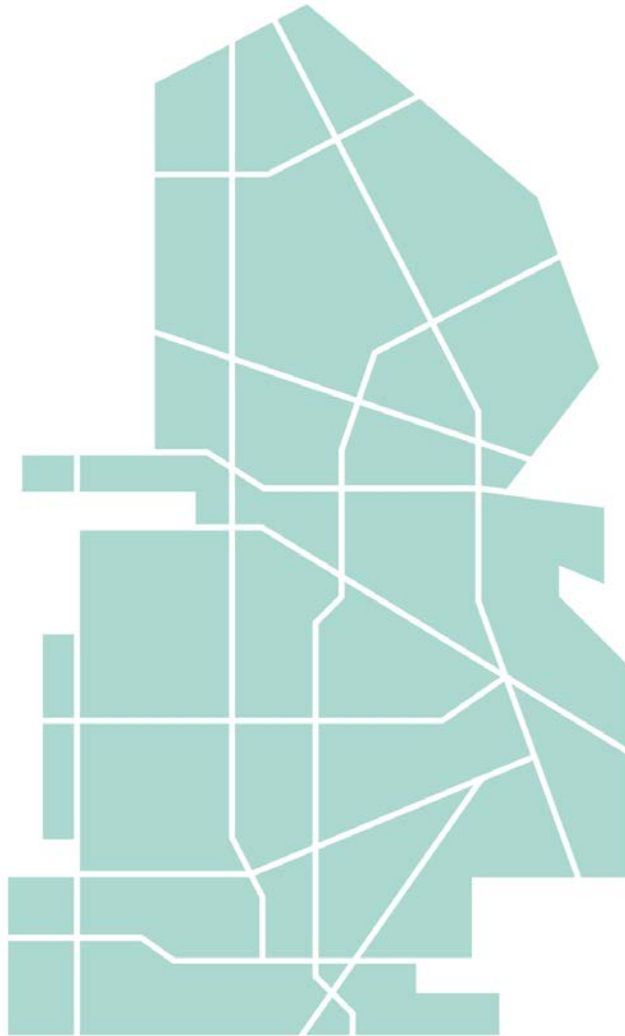


City Of Santa Clara



CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

Fiscal Year 2016-17
(Program Year 2016)

Prepared by:
Housing & Community Services
1500 Warburton Ave.
Santa Clara, CA 95050



**City of
Santa Clara**
The Center of What's Possible

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Overview

The City of Santa Clara is a participant in the federal Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs through the United States Department of Housing and Urban Development (HUD). HUD annually provides funding to the City of Santa Clara to be used for social programs, affordable housing developments, and community development projects that benefit low-income persons and households. As a recipient of HUD funding, the City is required to prepare a five-year strategic plan called a Consolidated Plan. The Consolidated Plan identifies housing and community needs of low-income persons within the City, identifies and prioritizes resources to address those needs, and establishes annual goals and objectives to measure performance. The Consolidated Plan is accomplished through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that the City will use each year to address the priority needs and specific goals identified by the Consolidated Plan. At the end of the fiscal year, the City of Santa Clara reports on its accomplishments and progress toward Consolidated Plan goals in the Consolidated Annual Performance and Evaluation Report (CAPER). The City of Santa Clara's 2016 CAPER will cover Fiscal Year 2016-17/Program Year 2016 (July 1, 2016 - June 30, 2017), the second year of the 2015-20 Consolidated Plan cycle. This CAPER has been prepared to highlight the City's low-income housing and community development activities performed during the 2016 Program Year, the amount of funds allocated to those activities, and the number of low-income households assisted. The 2016 CAPER also documents the City's cumulative efforts toward meeting its 2015-20 Consolidated Plan goals.

The City's major accomplishments for Program Year 2016 include:

- The City of Santa Clara executed the second year of a three-year agreement with Abode Services to operate a **Tenant Based Rental Assistance (TBRA)** program. TBRA provides rental assistance to individuals and families whose incomes are below 60% Area Median Income (AMI), and have a last place of residence or are currently working in the City of Santa Clara, and are at risk of homelessness. The agreement, funded by HOME, **served 18 new households in 2016** and the program has expanded to serve an estimated 28 additional households in 2017.
- The City of Santa Clara partnered with the County of Santa Clara to provide ongoing, **intensive case management** for 20 homeless and chronically homeless individuals that are referred to the County by the City of Santa Clara Police Department's (SCPD) Nuisance Suppression Unit. In 2016, the County has **successfully housed twelve chronically homeless individuals** referred by SCPD.
- **Delivery of public services** through grant funding to nonprofit agencies, which includes Bill Wilson Center and Santa Clara Senior Center, and **improvement of public facilities** through focused accessibility and public works projects.
- Through Project Sentinel, the City performed a variety of **fair housing assistance** activities, which served **40 households in 2016**.

CR-05 - Goals and Outcomes

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

Program Year 2016 (Fiscal Year 2016-2017) was the second year of the five-year Consolidated Plan. Data in Table 1 highlights key accomplishments in Program Year 2016 and reflects the City's programmatic focus areas. These areas include affordable housing, homelessness, transitional and supportive housing, and public service partnerships aimed to advance the City's goals and objectives. Specifically, accomplishments met or exceeded goals in the following areas: 1) addressing homelessness through Tenant Based Rental Assistance (TBRA), 2) provision of Fair Housing services to Santa Clara residents, 3) delivery of public services through grant funding to nonprofit agencies, and 4) improving public facilities through focused accessibility and public works projects.

One area where accomplishments appear to have underperformed is the homeowner rehabilitation provided through the Neighborhood Conservation and Improvement Program (NCIP). In fact, the NCIP remains a strong program for the City of Santa Clara; however, program funding has been a challenge that has stalled program performance. When the Consolidated Plan was developed, the City anticipated that the HOME program would fund rehabilitation work. However, the HOME program requires grantees to ensure that the post-rehabilitation value of properties does not exceed the maximum value limit, which ranges from \$551,000 to \$1,058,000 depending on unit counts. Unfortunately, most - if not all - of the post-rehabilitated single-family homes in Santa Clara exceed the allowable value limits and thus, HOME funds were no longer eligible for homeowner rehabilitation. As a result, staff made a strategic decision to employ CDBG funds in order to support the NCIP, while staff re-directed available HOME funds to Tenant Based Rental Assistance (TBRA) programs. The number of completed owner-occupied rehabilitation projects was lower than expected; however, that result does not reflect a weak pipeline but is merely a function of larger project scopes than originally anticipated. Currently, the City's HUD Consultant, Cloudburst, is preparing a program manual with updated policies and guidelines. Part of this process is codifying scope of work priorities to ensure individual scopes do not grow too large and unintentionally limit the number of clients served. The City met a high priority need in 2016 through expending HOME funds for TBRA; however, rental assistance is a cumulative rather than lump sum form of expenditure and it fluctuates, which prevented timely expenditures of HOME funds. Staff worked hard to identify large-scale multi-family new construction or rehabilitation projects that needed HOME funding, but ultimately decided these projects were not appropriate matches for the HOME Program based on a variety of factors.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount Program Year 2016	Indicator	Unit of Measure	Expected 2015-2020 Strategic Plan	Actual 2015-2020 Strategic Plan	Percent Complete (5-year goal)	Expected PY* 2016	Actual PY* 2016	Percent Complete (PY 2016)
Affordable Housing	Affordable Housing (TBRA)	HOME: \$425,000 Successor Housing Agency Program Income: \$	Tenant-based rental assistance / Rapid Rehousing <i>Reported under Homelessness goal</i>	Households Assisted	65	51	78%	13	28	215%
Fair Housing	Affordable Housing	HOME: \$18,798 Project Sentinel	Public service activities other than Low/Moderate Income Housing Benefit	Households Assisted	220	82	37%	44	40	91%
	Non-Homeless Special Needs									
Homelessness	Homeless	CDBG: \$20,460 St. Justin Ministry	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1,000	1,913	191%	200	916	458%
Homelessness	Homeless TBRA Case Management	CDBG: \$ / HOME: Successor Housing Agency Program Income: \$140,000	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	60	29	7%	12	18	150%
Homelessness	Homeless County Case Management	CDBG: \$ / HOME: Successor Housing Agency Program Income: \$110,000	Homelessness Prevention	Persons Assisted	200	14	1%	40	12	30%
Public Facilities	Non-Housing Community Development	CDBG: \$450,000 Public Work / Accessibility	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	7,933	30,237	381%	1,587	15,237	960%
Public Services	Non-Homeless Special Needs	CDBG: \$153,115 / General Fund: \$ Non-Profit Sub Recipients	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	9,265	3,813	41%	1,853	1,978	107%
Affordable Housing	Affordable Housing	CDBG: \$ / HOME: \$ / Successor Housing Agency Program Income: \$	Rental units constructed	Household Housing Unit	8	0	0%	1.6	0	0%
Affordable Housing	Affordable Housing	CDBG: \$ Prior year funds used HOME: \$ /	Rental units rehabilitated	Household Housing Unit	40	100	250%	8	0	0%
Affordable Housing	Affordable Housing	CDBG: \$ 103,539 HOME: \$269,530	Homeowner Housing Rehabilitated	Household Housing Unit	250	49	20%	50	27	54%

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The Consolidated Plan describes the following priorities and objectives in order to guide programmatic decisions and resource allocation:

Affordable Housing: Support affordable housing for low-income and special needs households. This includes funding new affordable housing developments, rent subsidies, and rehabilitation of single and multi-family housing.

Homelessness: Support activities to end homelessness including rental assistance, homeless prevention programs, case management, outreach activities, and support of facilities.

Fair Housing: Promote Fair Housing choice through funding education, counseling, investigation, conciliation, advocacy, and enforcement of Fair Housing regulations.

Public Facilities: Improve accessibility for persons with physical disabilities by identifying and repairing intersections for accessibility, mostly through curb cuts.

The City's Neighborhood Conservation and Improvement Program (NCIP) led the affordable housing initiative in 2016 by funding income-qualifying households for emergency repairs and upgrades. Approximately 70% of the housing stock in Santa Clara is greater than 40 years old, which demonstrates a great need for such repairs and upgrades in the community. Moreover, as the majority of clients served are older than 55 years, the program inherently focuses investments on the City's elderly population. Moving forward, CDBG funds will support the Homeowner Rehabilitation Program.

Aside from the Tenant Based Rental Assistance (TBRA) program, which the HOME Program funds, the City's homelessness initiative is addressed through partnerships with the County of Santa Clara and through public service grants to non-profit agencies such as Bill Wilson Center, Santa Clara Senior Center, Next Door Solutions, and St. Justin Community Ministry. These programs serve seniors, victims of domestic violence, disabled people looking for housing, and homeless individuals by providing emergency assistance such as rent, security deposits, food, work-related transportation, medical assistance, and utilities to eligible clients.

HOME funds to Project Sentinel typically address the City's Fair Housing initiative. Project Sentinel provides comprehensive fair housing services including investigation, counseling, referral and education, designed to reduce the incidence of illegal discrimination in housing. In 2016, the City of Santa Clara provided an additional \$30,000 of CDBG funds to subsidize rehabilitation of Project Sentinel's facility, which will enable the delivery of improved and expanded services in the future.

CR-10 - Racial and Ethnic Composition of Families Assisted

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

	CDBG	HOME
White	8,801	49
Black or African American	1,004	0
Asian	10,287	8
American Indian or American Native	128	10
Native Hawaiian or Other Pacific Islander	249	2
Total	20,469	69
Hispanic	377	36
Not Hispanic	20,092	33

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

Narrative

The City’s program served an ethnically diverse population of individuals and families in Program Year (PY) 2016. Services were provided predominantly to Asian and White households, which generally reflect the overall demographic picture in the City of Santa Clara. The City’s sub recipients reported 5,878 CDBG individuals or families under a racial category of “other multi-racial,” the majority of which were reported as having Hispanic ethnicity. Table 2 does not reflect this figure as the reporting matrix does not provide an option for reporting “other multi-racial” racial and ethnic status. Roughly speaking, 20% of people living in Santa Clara are of Hispanic or Latino origin.



CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	CDBG	1,445,552	1,380,996
HOME	HOME	1,227,515	571,053
General Fund	General Fund	69,575	69,575
Other	City Affordable Housing Fund	48,220	39,109
Other	Successor Housing Agency Program Income	250,000	225,061

Table 3 - Resources Made Available

Narrative

The City of Santa Clara used funds from its CDBG and HOME programs to carry out the objectives identified in the City's Five Year Consolidated Plan. These activities supported by federal funding sources were performed throughout the City, with no directed geographic concentration of resources.

The City received a CDBG entitlement grant of \$897,752 for PY 2016, an increase of 4.6% from PY 2015. During the reporting period, total CDBG expenditures were \$1,380,996. CDBG program income totaled \$424,028, which was generated by the City's Neighborhood Conservation and Improvement program(NCIP). All CDBG Program Income was used to supplement the NCIP Program.

The HOME participation grant for the reporting year was \$299,478, an increase of 5.7% from PY 2015. HOME Program expenditures for the reporting period were \$571,053. HOME Program Income totaled \$304,064, which was generated by the City's NCIP and Affordable Housing loan repayments and includes bank interest of \$8,896.17.

The HOME Match Report contained in Table 5 represents calculations for 11 projects, which generated \$267,287 from foregone property tax assessments. For PY 2016, the City's local match was more than its HOME Program match liability of \$0 for the year. The City's excess HOME Match balance was \$6,648,767 as of June 30, 2017.

The Boomerang Funds were not scheduled to be expended in PY 2016. Of the \$13,970,000 in Boomerang Funds, \$5,830,000 is set aside as a land sale reserve. The City Affordable Housing Fund leveraged HOME funds used for its Tenant Based Rental Assistance (TBRA) activities. The Successor Housing Agency Program Income Funds leveraged TBRA activities and provided intensive case management in a cooperative agreement with the County, aimed at housing chronically homeless persons referred by the City's Police Department.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Citywide	100	100	Service area
El Camino Real Focus Area	0	0	N/A

Table 4 – Identify the geographic distribution and location of investments

Narrative

Due to the difficulty in identifying CDBG- eligible projects, the El Camino Real Focus Area was not addressed during the Program Year and no activities were initiated.

Leveraging:

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

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	\$ 6,381,480.15
2. Match contributed during current Federal fiscal year	\$ 267,287.37
3 .Total match available for current Federal fiscal year (Line 1 plus Line 2)	\$ 6,648,767.52
4. Match liability for current Federal fiscal year	\$ -
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	\$ 6,648,767.52

Table 5 – Fiscal Year Summary - HOME Match Report

For Program Year 2016, the HOME Match Report shows the City’s local match of \$267,287 was more than its HOME program match liability of \$0 for the year.

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
Briarwood	11/1/2016	0	9,911.22	0	0	0	0	9,911.22
Cypress	11/1/2016	0	9,223.51	0	0	0	0	9,223.51
DeLaCruz	11/1/2016	0	9,415.66	0	0	0	0	9,415.66
Homesafe	11/1/2016	0	59,332.13	0	0	0	0	59,332.13
Homestead	11/1/2016	0	7,936.31	0	0	0	0	7,936.31
Jackson St.	11/1/2016	0	11,257.75	0	0	0	0	11,257.75
Liberty Tower	11/1/2016	0	36,922.64	0	0	0	0	36,922.64
Main St.	11/1/2016	0	5,871.03	0	0	0	0	5,871.03
Shafer House	11/1/2016	0	8,264.63	0	0	0	0	8,264.63
Sobrato II	11/1/2016	0	68,078.46	0	0	0	0	68,078.46
Westwood	11/1/2016	0	41,074.04	0	0	0	0	41,074.04

Table 6 - Match Contribution for the Federal Fiscal Year

HOME Program Income

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period	Amount received during reporting period	Total amount expended during reporting period	Amount expended for TBRA	Balance on hand at end of reporting period
\$	\$	\$	\$	\$
326,465	304,064	0	0	630,529

Table 7 – Program Income

HOME MBE/WBE report

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Number	1					
Dollar Amount	10,018	0	0	0	0	1
Sub-Contracts						
Number						
Dollar Amount						
	Total	Women Business Enterprises	Male			
Contracts						
Number	1	0	1			
Dollar Amount	10,018		10,018			
Sub-Contracts						
Number						
Dollar Amount						

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted

	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0					
Dollar Amount	0					

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition

Parcels Acquired	0					
Businesses Displaced	0					
Nonprofit Organizations Displaced	0					
Households Temporarily Relocated, not Displaced	0					
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0					
Cost	0					

Table 10 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

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

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	32	12
Number of Non-Homeless households to be provided affordable housing units	54	18
Number of Special-Needs households to be provided affordable housing units	0	0
Total	86	30

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	32	28
Number of households supported through The Production of New Units	4	18
Number of households supported through Rehab of Existing Units	50	27
Number of households supported through Acquisition of Existing Units	0	0
Total	86	73

Table 12 – Number of Households Supported

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

The City did not reach its goal of rehabilitating 50 owner-occupied homes. However, the City successfully rehabilitated 27 owner-occupied homes with larger projects scopes than originally anticipated. When the Consolidated Plan was developed, the City anticipated that the HOME program would fund rehabilitation work for the planned number of units. However, the HOME program requires a grantee to ensure that the post-rehabilitation value of property does not exceed the maximum value limit, which ranges from \$551,000 to \$1,058,000 depending on unit counts. Unfortunately, most - if not all - of the post-rehabilitated single-family homes in Santa Clara exceed the allowable value limits and thus, HOME funds were no longer eligible for homeowner rehabilitation. As a result, staff made a strategic decision to employ CDBG funds in order to support the City's Neighborhood Conservation Improvement Program (NCIP), while staff re-directed available HOME funds Tenant Based Rental Assistance program.

The number of completed owner-occupied rehabilitation projects was lower than expected; however, that result does not reflect a weak pipeline but is merely a function of larger projects scopes than originally anticipated.

Rental and/or security deposit assistance was provided to 28 households through two HOME TBRA programs and one locally funded case management program. Additionally, the City’s inclusionary housing policy created 18 new affordable homeownership units in 2016. CR-25 provides more detail on this assistance under Homeless and Other Special Needs.

Discuss how these outcomes will impact future annual action plans.

Staff has expanded the City’s TBRA program and is contemplating other funding sources to supplement CDBG funds in the NCIP program. Additionally, staff is working to identify potential eligible projects to utilize excess HOME funds in a timely manner in the next program year.

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

	CDBG		HOME	
Income Levels	Owner Occupied	Renter Occupied	Owner Occupied	Renter Occupied
Extremely Low (<=30%)	9	0	3	8
Low (>30% and <=50%)	6	0	2	20
Mod (>50% and <=80%)	4	0	3	1
Total Low-Mod	19	0	8	29
Non Low-Mod (>80%)	0	0	0	0
Total Beneficiaries	19	0	8	29

Table 13 – Number of Households Served

Narrative Information

There were 27 persons served through the City’s Neighborhood Conservation Improvement Program (NCIP) utilizing CDBG and HOME funds in Program Year 2016 of which twelve are extremely low-income, eight are low-income, and seven are moderate-income persons.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through: Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

In Program Year 2016, the City allocated \$110,000 in local funding from its Housing Successor Agency fund to the County of Santa Clara to provide intensive case management to assist approximately 20 chronically homeless individuals who were identified and referred by the City's Police Department. The County used this funding in conjunction with other County funds to provide housing vouchers that are appropriate to the individual's needs. During Program Year 2016, 20 individuals received case management services and 12 were housed. The program did not reach its goals of 20 individuals housed and reasons included the difficulty of keeping in touch with some of the clients due to the transitory nature of their locations. However, the program is successful in that there were 40 individuals who were affiliated with Santa Clara but were not funded by our local funds received services or assistance and 27 were housed.

Addressing the emergency shelter and transitional housing needs of homeless persons

In Program Year 2016, the City provided \$18,761 of CDBG funding to Next Door Solutions for case management support services for residents of HomeSafe Santa Clara, an affordable transitional housing property for survivors of domestic violence, serving 72 individuals. A CDBG grant of \$8,250 to the Young Women's Christian Association (YWCA) provided counseling and legal services to 26 survivors of domestic violence currently residing in emergency or transitional shelter.

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

The City's TBRA program provided assistance to individuals or families who met the "at- risk of homelessness" conditions. The City also provided a \$63,470 CDBG grant to the Bill Wilson Center for counseling programs. While the grant services are accessible to all youth in the City, the Bill Wilson Center also serves homeless youth, youth in or exiting foster care, and human trafficking victims, so the agency is aware of the needs of those exiting institutions and systems of care.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to

affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City’s TBRA funds that were funded through HOME as well as two local funding sources, provided rental subsidies and case management services through a contract with Abode Services to 29 households that were homeless or at risk of homelessness. Of the 29 households, 18 were newly assisted this program year and 11 received continued assistance. Deposits were provided to another 10 households through a HOME grant to the Housing Trust of Silicon Valley’s Finally Home Program. One household received assistance from both programs, making the total 28 unduplicated households that obtained housing assistance during this program year.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

Public Housing funds are insufficient to support existing public housing needs. Due to cuts of public housing funding, the Santa Clara County Housing Authority (SCCHA) is looking at converting public housing units to affordable housing via project-based vouchers.

As of June 30, 2017, the SCCHA had 586 Section 8 vouchers under contract in the City. Approximately 274 of the voucher holders were used by persons with disabilities (of whom 204 were also elderly), and 244 were held by elderly households. Of those City residents using Section 8 vouchers, 99% are extremely low income.



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

The SCCHA has only four remaining public housing units, which are all located in the Deborah Gardens property in the City of Santa Clara. The units are occupied by elderly residents, limiting the options for the residents.

Actions taken to provide assistance to troubled PHAs

SCCHA is not a troubled PHA.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

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

Lawrence Station Area Plan

In November 2016, the City of Santa Clara approved the Lawrence Station Area Plan, which will guide the development of a high-density transit-oriented neighborhood proximate to the Lawrence Caltrain stop. As a result, of the Lawrence Station Area Plan (LSAP), the City of Santa Clara General Plan now carries a Very High Density Residential designation, which allows densities between 51-100 dwelling units per acre, creating additional potential for housing proximate to transit. In addition, the City adopted a Zoning Code amendment for the LSAP, which includes the ability to develop at densities of up to 100 dwelling units per acre; reduces parking requirements for multi-family dwellings; allows for parking to be rented separately from living space for multi-family dwelling units (also known as unbundled parking); and allows for live-work units by right. Taken together, these ordinance changes remove constraints to high-density development proximate to transit in the Lawrence Station area. A total of 988 units are currently under construction in the LSAP area, with the plan allowing for up to 3,500 dwelling units. The Lawrence Station Area Plan helps to implement the City's Housing Plan through Action 7, Adequate Sites Inventory that specifically calls out the LSAP as a housing site, and Action 6, Zoning Code changes that facilitate production of housing.

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

In line with one of the objectives set forth by the Housing Element (2014) of the City's General Plan, the City of Santa Clara is in the process of adopting new Affordable Housing Requirements, including residential and nonresidential **mitigation impact fees** (in line with the results of the Affordable Housing Nexus Study). Following a series of outreach meetings with the general community and stakeholders between October 2016 and February 2017, an Ad Hoc Affordable Housing Working Group was convened. Meeting four times between March and May 2017, the Affordable Housing Working Group reached a consensus on recommendations for requirements and impact fees for the City Council consideration. The City Council accepted the recommendations set forth by the Ad Hoc Affordable Housing Working Group in July 2017 and it is anticipating that an ordinance will be adopted in September 2017. The revenue from the adopted fees will be a new source of local affordable housing funds not available since the closure of California's redevelopment agencies in 2012.

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

For housing units built prior to 1978, the Neighborhood Conservation and Improvement Program (NCIP) lead-based paint procedures were followed. In Program Year 2016, lead abatement occurred in one home.

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

One of the functions of the City’s Tenant Based Rental Assistance (TBRA) program is to foster self-sufficiency so that the participating households would eventually be able to afford permanent housing without subsidies. Since the program inception in FY 2015-16, one household in the program achieved self-sufficiency during this Program Year. Abode Services agreed to identify, broker, and secure services for the participant households to support their housing plan, depending upon individual needs, including the following:

- Employment and training resources
- Childcare resources & Legal services
- Benefit application assistance and advocacy
- Ongoing housing subsidies or access to affordable housing if indicated
- Behavioral health services (i.e. mental health and substance abuse)
- Medical services and food assistance programs
- Credit counseling and repair services
- Peer support networks or other community support



Santa Clara Adult Education received HUD funding through the Continuum of Care process to serve homeless persons for job training and placement. The HUD grant, called Career Advantage and Retraining Program (CARP) awarded \$180,353 for the 2015-2016 school year. For the recent school year (2016-2017), Santa Clara Adult Education did not request continued funding because of the changes in the Federal HUD grant priorities, but extended the grant funds from the 2015-2016 grant year to December 2016. The grant served over 250 homeless clients from July 2015 through December 2016. Most of the clients are from the San Jose area, but they work with three shelters in the City of Santa Clara – Bill Wilson Center, Sobrato Family Living Center and HomeSafe. Additionally there are several Transitional Homes (many in Santa Clara) for clients who meet the federal definition of homeless. CARP has been providing vocational and adult basic education classes. The program served over 300 clients in some capacity. Of the clients that left the program during the operating year, 60% had some source of income at exit and some even obtained employment paying in excess of \$15 an hour. Other services provided were: IDs and Driver Licenses, Transportation Assistance, Vocational classes, Employment Assistance, Clothes for interviewing, Work Boots/Clothes, School materials & lunches, Resumes, and Job Search.

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

City staff continues to participate in discussion and development of common strategies to address the housing and community needs in Santa Clara County with other local jurisdictions regarding CDBG, HOME and other housing programs. In person meetings take place on a quarterly basis and weekly phone conferences address pressing issues or news pertaining to local funding such as the use of the County-wide Measure A funds and collaborations for county-wide reports.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

On February 23, 2016 the Santa Clara City Council, in response to a request from the Cities Association of Santa Clara County for support in regional coordination towards addressing homelessness and the housing needs of our communities, adopted a resolution to endorse the Community Plan to End Homelessness in Santa Clara County. Destination: Home, a program of the Health Trust, is a public-private partnership implementing collective impact strategies to end homelessness in Santa Clara County. Its mission is to drive and align resources to create permanent housing and sustainable support systems built for the long term. The organization is improving how systems work together to end homelessness, as well as protect individuals and families at risk of becoming homeless.

The Destination: Home Board also serves as the governing body of the county-wide "Continuum of Care" (CoC), which is a county-wide entity required by HUD to enable local housing and services providers to apply for HUD grants for various homeless assistance programs. In August 2016, the CoC Board submitted a request to HUD of \$20.5 million to fund various non-profit agencies within Santa Clara County.

The Community Plan to End Homelessness is based on three central strategies:

1. Disrupt the System: Develop strategies and innovative prototypes that transform the systems related to housing homeless people.
2. Build the Solution: Secure the funding needed to provide 6,000 housing opportunities with services for those who are homeless and those at risk of homelessness.
3. Serve the Person: Adopt an approach that recognizes the need for client-entered strategies with different response for different levels of need and different groups, targeting resources to the specific individual or household.

Much of the effort described in the Community Plan relates to the work of various county agencies that provide health care, housing, social services, corrections, and related services. Participating cities will most likely be involved with Build the Solution strategy, which relates to development of affordable housing units through various methods. Such methods include development of new permanent supportive housing (PSH) units, rehabilitation or retrofitting of existing housing or other structures (e.g., motels) into new affordable units, and use of long-term subsidies such as rental vouchers to make existing market-rate or affordable housing more affordable for homeless or at-risk households.

The City has already funded and implemented efforts related to “Building the Solution” for a number of years, including the City's HOME-funded Tenant Based Rental Assistance (TBRA) program for homeless and at-risk households and supportive housing projects such as Homesafe Santa Clara, Sobrato Family Living Center, Bill Wilson Center and Silicon Valley Independent Living Center. In addition, the City has provided assistance to a number of local agencies that operate programs serving the homeless that are consistent with the, "Serve the Person" strategy, such as Next Door Solutions to Domestic Violence, Support Network for Battered Women, HomeFirst (formerly Emergency Housing Consortium), LifeMoves (formerly Innvision) and Project Sentinel. The City has also provided the County of Santa Clara with \$200,000 in funding in Fiscal Years 2018 and 2019 to address homelessness prevention.

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

The City funds fair housing education, investigation, enforcement and outreach annually. The City provided a HOME grant of \$19,738 to Project Sentinel for provision of fair housing services in program year 2016. Project Sentinel provides comprehensive fair housing services including investigation, counseling, referral and education, designed to reduce the incidence of illegal discrimination in housing. In 2016, the City of Santa Clara provided an additional \$30,000 of CDBG funds to subsidize rehabilitation of Project Sentinel’s facility, which will enable the delivery of improved and expanded services in the future. The agency opened and investigated 21 cases in 2016 along with outreach activities to residents, service providers, and housing providers through education and information sessions on fair housing law and Project Sentinel’s services.

Research was conducted, but not completed, on an update to the City’s Analysis of Impediments to Fair Housing.

CR-40 - Monitoring 91.220 and 91.230

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

The City has continued to carry out an active and complete monitoring of federal funding recipients for compliance with CDBG and HOME program regulations. In Program Year (PY) 2016, all Public Service agencies were required to submit semi-annual reports on their direct service activities. For those Public Service agencies with a history of satisfactory performance, on-site monitoring was conducted triennially, in conjunction with three-year agreements that began on July 1, 2015. New or low performing Public Service agencies are monitored more frequently.

Capital improvement 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. Capital projects are required to submit regular progress reports during construction.

After construction and initial occupancy, 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. Thus, housing projects reviewed in PY 2016, reflect activities that occurred in PY 2015. At least every three years, on-site program audits and Housing Quality Inspections are conducted for all HOME projects. All scheduled monitoring including onsite inspections was completed in PY 2014. The next scheduled onsite inspection will occur in PY 2017. The table provided in CR-50, page 23 summarizes the monitoring of HOME projects in PY 2016.

In 2008, the City entered into an agreement with U.S. Communities Compliance Services to develop an on-line reporting system to measure compliance with affordability requirements for the 44 affordable housing properties administered by the City's Housing & Community Services Division, including 19 HOME projects.

In PY 2016, the City continued to conduct quarterly onsite meetings and review of files to ensure procedures were conducted for the City's TBRA program to ensure the programs were operating optimally.

The City encourages City staff and CDBG/HOME sub-recipients to actively solicit Minority and Women-Owned Business Enterprises (MBE/WBE) in their procurement of goods and services. For program year 2016, the City awarded CDBG contract to two contractors who were a Minority-Owned business for our Removal of Architectural Barriers project and a NCIP project.

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

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

The Draft CAPER for Fiscal Year 2016-17 was made available for public review and comment for a 15-day period, from September 6 through September 21, 2017. It was posted on the City's website and available at the Housing and Community Services Division at 1500 Warburton Avenue, Santa Clara, and at the Santa Clara Central Library. A notice was published in the Santa Clara Weekly newspaper. The public contact and nonprofit agencies email lists created during the development of the Consolidated Plan were notified. Any comments received during this period will be added to the draft CAPER and included in the agenda report for the City Council's September 26, 2017 meeting. The agenda report will be available on the City's website. Any comments made at the September 26 Council meeting will be included in the CAPER submitted to HUD.

There were no public comments received during the comment period.

CR-45 - CDBG 91.520(c)

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

During Program Year 2016, the City was unable to meet its HOME expenditure deadline after considering and reviewing multiple projects that turned out to be ineligible. Due to the difficulty in finding eligible projects in the City of Santa Clara, the City completed a substantial amendment following the adopted Citizen Participation Plan amend the City's Consolidated Plan for program years 2015-2020 and the Annual Action Plans for program years 2016 and 2017 to expend HOME funds for projects that involve new construction, acquisition or rehabilitation of affordable rental units outside of the City of Santa Clara (contiguous jurisdictions) to allow use of the HOME funding in an expeditious manner.

The City also considered whether to continue its designation of CDBG funds for pursuing its economic development goal for the El Camino Real area, as this project has not resulted in any activities to date. Changes to this goal will be reported in the 2017 Annual Action Plan.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

Not applicable.

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

Not applicable.

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

In Program Year (PY) 2016, monitoring of project status reports of rental housing projects to ensure units complies with the requirements of the HOME regulations were completed and/or in progress. Table below summarizes the monitoring of HOME projects conducted in PY 2016. On-site inspections of all HOME housing projects have been completed within the required timeframe. The next scheduled on-site inspection will

occur in Program Year 2017. The project status report monitoring is completed annually.

Summary of HOME Rental Project Monitoring

Project Name	Year	Total Units	HOME Units	PSR Compliance Status
Briarwood House	2001	4	4	In Compliance
BWC Commons	2007	28	27	In Compliance
BWC Main Street	2002	6	5	In Compliance
BWC Shafer	2002	5	5	In Compliance
BWC Teen Parent	1996	5	3	In Compliance
Chateau Apts	1993	25	4	In Compliance
Cypress	2010	5	5	In Compliance
DeLaCruz House	2001	4	4	In Compliance
Homesafe San Jose	2004	24	3	In Compliance
Homesafe Santa Clara	2002	25	10	In Compliance
Liberty Tower	1998	100	100	In Compliance
Maitri Transitional	2009	10	9	In Compliance
Montgomery Street	1997	1	1	In Compliance
Quetzal House	2009	5	5	In Compliance
Santa Clara Senior Homes	1994	4	4	In Compliance
Sobrato Family Living Ctr	2003	51	5	In Compliance
Stoney Pines Apts	2001	2	2	In Compliance
Vista Drive Apts	2004	1	1	In Compliance
Westwood Ambassador	1994	42	10	*Compliance in Progress

*Awaiting documentation for compliance correction

Annual on-site inspections are conducted on all of the City’s TBRA housing occupied by tenants receiving HOME TBRA to meet the standards in 24 CFR 982.401.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)

The City requires that all projects containing five or more HOME-assisted housing units develop an affirmative marketing plan.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

\$304,064 of HOME program income was received in program year 2016. Program income will be used for City's TBRA program and owner occupied rehabilitation activities.

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

The City's Below Market Purchase (BMP) Program sold 18 units that are affordable to low and moderate income homebuyers. Of the 18 for-sale units, two were sold to households earning less than 80% Area Median Income (AMI), three to households earning less than 100% AMI and thirteen to households earning between 100% and 120% AMI.

At the December 15, 2015 City Council meeting, a development agreement was approved for **the Santa Clara Square Residential/Mixed Use Project**, located at 2600 Augustine Drive. The agreement approved the development of up to 1,800 rental apartment units with a voluntary requirement of 10% of housing units at the 80% AMI affordability level with the flexibility of being onsite or offsite.

During Program Year 2015, the City Council selected the CORE Company's proposal for the BAREC property located at **90 North Winchester Boulevard**. The proposal includes 181 affordable rental units, 16 of these are moderate income, 165 units are for seniors and of the latter 33 are to be reserved for extremely low and very low-income senior veterans.

The City has identified City-owned land with potential use as affordable housing development at the following locations: 0.71 acres at 3575 De La Cruz Blvd.; 0.59 acres at 1031 El Camino Real; and 2.47 acres at 2330 San Tomas Expressway. Staff is currently preparing a study session with City Council to discuss development opportunities. Potential next steps include community engagement planning and ultimately issuing a City-led Request for Development Proposals.

Affordable Housing Impact Fee: On July 11, 2017, City Council unanimously directed staff to move forward with preparation of an Affordable Housing Impact Fee ordinance per recommendation of staff based on the recommendations of the Ad Hoc Affordable Housing Working Group. The Council agreed with all items forwarded from the Working Group by consensus, and for items unresolved, directed that the City's affordability requirement for rental residential be set at 15% and a \$20 in-lieu fee, while the for-sale requirement was increased from 10% to 12.5% and a \$20 in-lieu fee.