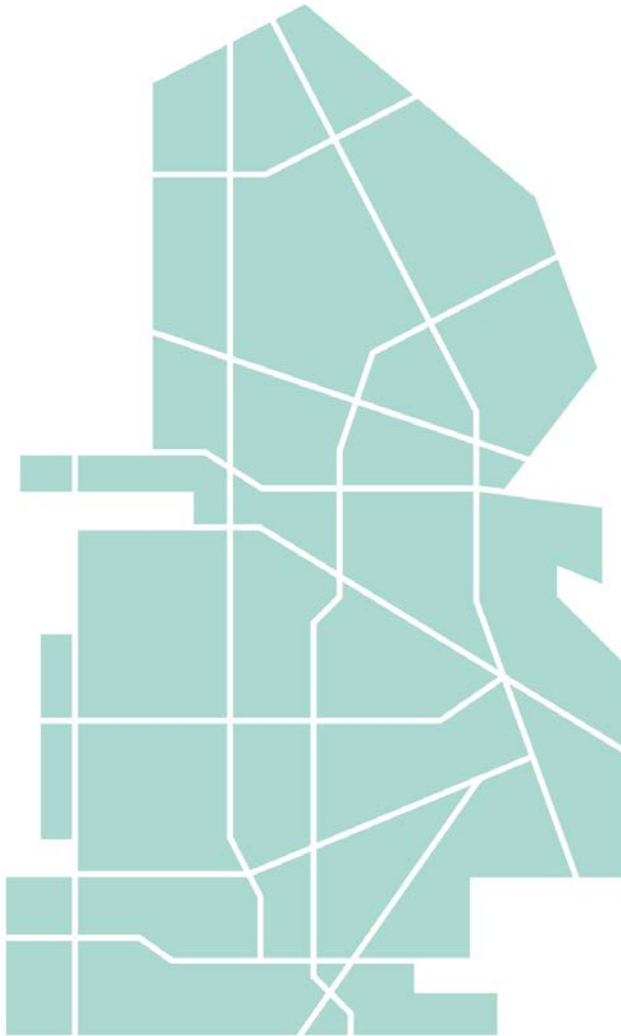


City Of Santa Clara



CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

Fiscal Year 2017-2018
(Program Year 2017)

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



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

Table of Contents

Overview.....	3
CR-05 - Goals and Outcomes.....	5
CR-10 - Racial and Ethnic Composition of Families Assisted.....	10
CR-15 - Resources and Investments 91.520(a).....	11
CR-20 - Affordable Housing 91.520(b).....	17
CR-25 - Homeless and Other Special Needs 91.220(d,e); 91.320(d,e); 91.520.....	19
CR-30 - Public Housing 91.220(h); 91.320(j).....	21
CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j).....	22
CR-40 - Monitoring 91.220 and 91.230.....	26
CR-45 - CDBG 91.520(c).....	28
CR-50 - HOME 91.520(d).....	29

NOTE: Items highlighted in yellow will be updated prior to submission of the CAPER to HUD.

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 objectives of the Consolidated Plan are accomplished through Annual Action Plans. Annual Action Plans 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 2017 CAPER will report on activities performed during the Fiscal Year 2017-2018; also known as Program Year (PY17). The PY17 is the third year of the 2015-2020 Consolidated Plan cycle. This CAPER has been prepared to highlight the City's low-income housing and community development activities performed during the 2017 Program Year, the amount of funds allocated to those activities, and the number of low-income households assisted. The 2017 CAPER also documents the City's cumulative efforts toward meeting its 2015-2020 Consolidated Plan goals.

The City's major accomplishments for Program Year 2017 include:

- **Tenant Based Rental Assistance (TBRA).** The City of Santa Clara completed its third year of a three-year agreement with Abode Services to operate the TBRA Program. The TBRA Program is partially funded with HOME funds. HOME funds provide rental and deposit assistance to individuals and families that are homeless or at risk of being homeless, have incomes at or below 60% Area Median Income (AMI), and that have a last place of residence or are currently working in the City of Santa Clara. The Program also offers case management services, funded with local dollars, to the participants.

For PY17, the TBRA Program had a goal to serve 40 households. The TBRA Program served 44 households which benefited 59 adults and 86 children. In PY18, the City plans to expand the number of people housed and focus on families with children.

- **Case Management Services.** The City collaborated with the County of Santa Clara to provide ongoing, intensive case management for up to 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 PY17, the County has successfully housed 19 chronically homeless individuals referred by SCPD.

- **Public Services.** The City used approximately \$190,000 of its CDBG dollars to fund non-profit agencies to provide public services to Santa Clara's low-income residents. The majority of services benefited seniors and homeless households.
- **Fair Housing.** The City funded Project Sentinel, a non-profit agency, to perform a variety of fair housing assistance activities, serving 44 households.

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 2017 (Fiscal Year 2017-2018) was the third year of the five-year Consolidated Strategic Plan. Data in Table 1 highlights key accomplishments during the program year, and reflects the City's progress towards its Consolidated Strategic Plan's goals. Highlights include:

Affordable Housing goal (TBRA) – The City's Tenant Based Rental Assistance (TBRA) program has consistently been a strong performer in reaching the City's affordable housing goal. We have exceeded the 5-year goal to assist 65 households. In PY2017, a goal was set to assist 40 households and the program exceeded this goal by assisting 44. After seeing an increase in the number of homeless families in the region's Homeless Census, the program has made adjustments for PY2018, and will be focusing on assisting families with children. We can assist the same number of households, but the number of people benefiting from this program will increase.

Public Facility Improvements – Approximately 20,000 people benefited from public improvement projects completed in PY2017. This exceeded the goal of 7,933 persons. This was due in part to improvements completed to a multi-year project (City Hall ADA improvements). The curb cut project also added to the numbers who benefited from public facility improvements.

Homelessness goal – Activities that benefit the homeless population in Santa Clara continue to track above the Consolidated Strategic Plan's goals. Programs such as St. Justin's Community Ministry that feed the homeless continue to exceed their goals year by year.

More detail on the goals and accomplishments related to the activities completed in PY2017 are found in Table 1.

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)

Table 1 provides numeric detail on activities completed in PY2017, and progress made toward meeting the Consolidated Strategic Plan goals and objectives. An area where accomplishments appear to have underperformed is the homeowner rehabilitation provided through the Neighborhood Conservation and Improvement Program (NCIP). The NCIP remains a popular program for the City of Santa Clara; however, staffing challenges slowed the program's performance. Also affecting the program's performance was the necessary overhaul of the program's policies guidelines. The City has decided to loan more of its funding rather than grant it. This change will keep future program income healthy, and be able to assist more residents in the future. As of publication of this CAPER, a new inspector and grant manager were hired, and the program's policies and procedures were updated. Efficiencies were improved, and there is a pipeline of projects awaiting approval.

Another area that staff has worked to improve is identifying multi-family new construction or rehabilitation projects that can use HOME funds to meet some of its affordable housing goals. The City has had challenges committing its CHDO set-aside funds. Staff has reached out to non-profit developers

and non-profit service providers without success. This is due, in part, to the small amount of CHDO funds available, and the lack of desire from non-profit service providers to make the necessary adjustments to meet CHDO certification requirements. In PY2018, the City will put out a Notice of Funding Availability of approximately \$500,000 in HOME funds and give preference to projects proposed by CHDOs. Another option the City is considering is funding a project in a neighboring jurisdiction.

Goal	Category	Source and Amount	Indicator	Unit of Measure	Expected 2015-2020 Strategic Plan	Actual 2015-2020 Strategic Plan	Percent Complete of 5-year Goal	Expected PY 2017	Actual PY 2017	Percent Complete PY2017
Administration	Other – Admin. of CDBG & HOME	HOME: \$23,211 CDBG: \$253,943	Other	Other	0	0	0%	0	0	0%
Affordable Housing	Affordable Housing	HOME: \$44,903 CAHF: \$1,000,000 Successor Housing Agency PI: \$2,000,000	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	0	0	0%	0	0	0%
			Rental units constructed	Household Housing Unit	8	0	0%	4	0	0%
			Rental units rehabilitated	Household Housing Unit	40	100	250%	100	0	0%
		CDBG: \$ 701,702	Homeowner Housing Rehabilitated	Household Housing Unit	250	47	19%	50	10	20%
Fair Housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$65,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0	0	300	0	0%
		HOME: \$20,725	Public service activities other than Low/Moderate Income Housing Benefit	Households Assisted	220	130	59%	44	44	100%
Homelessness	Homeless	CDBG: \$20,460 St. Justin Ministry	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1,000	24,817	2,481%	200	5,834	2,917%
	Homeless TBRA Case Management	Successor Housing Agency Program Income: \$140,000	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	60	56	93%	12	56	467%
	Homeless	HOME:\$350,000	TBRA/Rapid Rehousing	Persons Assisted	65	87	134%	70	66	110%
	Homeless County Case Management	Successor Housing Agency Program Income: \$110,000	Homelessness Prevention	Persons Assisted	200	64	32%	20	18	125%
Public Facilities	Non-Housing Community Development	CDBG: \$318,691 Public Works Accessibility	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	7,933	33,621	424%	7,933	20,090	253%
Public Services	Non-Homeless Special Needs	CDBG: \$189,621 <i>Nonprofit sub recipients</i>	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	9,265	5,670	61%	1,712	1,742	94%

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 Strategic 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.

- There are four housing problems that are measured by [ACS Comprehensive Housing Affordability Strategy \(CHAS\) data](#) that give a glimpse into the conditions of households:
 - 1) Incomplete kitchen facilities;
 - 2) Incomplete plumbing facilities;
 - 3) More than 1 person per room; and,
 - 4) Cost Burden. The ratio of housing costs to household income.
 - A. Cost Burden of greater than 30% and less than 50%.
 - B. Severe Cost Burden of greater than 50%.

According to the 2009-2013 CHAS data, 35% of homeowner households in the City of Santa Clara experience at least one of the four Housing Problems. Further, 13% experience severe cost burden in which their housing expenses exceed 50% of their income. Homeowners, typically seniors, that are experiencing such cost burdens usually forego repairs and maintenance to their homes; allowing their houses to fall into a state of disrepair.

The City's CDBG-funded **Neighborhood Conservation and Improvement Program (NCIP)** is a homeowner rehabilitation program that assists low-income homeowners with emergency repairs and upgrades to their homes. With approximately 70% of the housing stock in Santa Clara being 40 years or older, and participants being of low income, the NCIP addresses the Strategic Plan Goal of supporting affordable housing.

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

- The [2017 Santa Clara County Homeless Census and Survey Report](#) shows that there were 294 families experiencing homelessness in 2017; a total of 1,075 individuals. It is believed that many families go uncounted as they tend to split up and stay with friends, relatives, or in illegal dwelling units.

The City's HOME-funded **Tenant Based Rental Assistance (TBRA) program**, helps address the goal of ending homelessness. TBRA assists households with deposit and rental subsidies, along

with case management services (funded with local funds). The TBRA program assisted 44 households in PY2017 consisting of 59 adults and 86 children.

In addition to the TBRA program, some area non-profit programs received CDBG funds to assist the homeless population. Bill Wilson Center, Santa Clara Senior Center, Next Door Solutions, and St. Justin Community Ministry all received grants to provide services to the City's homeless population including seniors, victims of domestic violence, and the disabled.

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

- **Project Sentinel**, an area non-profit, received \$20,725 of HOME funds to provide comprehensive fair housing services including investigation, counseling, referral and education, designed to reduce the incidence of illegal discrimination in housing. 44 persons were served in this activity.
 - Further, in 2017, the City of Santa Clara provided \$35,000 of CDBG funds to subsidize rehabilitation of Project Sentinel's facility, which will enable the delivery of improved and expanded services in the future.

Public Facilities: ADA improvements to City Hall were completed in PY2017. Further assessment of the facility's ADA needs will be done in the coming year. Possible future improvements may be proposed for funding in PY2019. Curb cuts to improve accessibility for persons with physical disabilities at key intersections were also completed in PY2017. Funds unspent on City Hall improvements were reprogrammed for more curb cuts to be completed in PY2018.

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	11,373	81
Black or African American	1,061	5
Asian	10,950	2
American Indian or American Native	181	1
Native Hawaiian or Other Pacific Islander	322	2
Total	27,676	100
Hispanic	6,017	60
Not Hispanic	21,659	40

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

Narrative

According to the Census Bureau, (2016 ACS 5-year Estimate dataset), Asian, White, and Hispanic make up the largest population demographics. Asians make up 40.3%, Whites make up 34.3%, and Hispanics make up 17.5%.

The City's program served an ethnically diverse population of individuals and families in Program Year (PY) 2017. Services were provided predominantly to Asian and White households, which generally reflect the overall demographic picture in the City of Santa Clara. Because different races also identify as Hispanic, these numbers are noted separately. 23% of the households/participants identifying as "White" also identify as Hispanic, and approximately 78% identifying as "Other Multi-Racial" also identify as Hispanic.



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 Allocation and Program Income	1,494,614	920,759
HOME	HOME Allocation and Program Income	964,106	738,510
General Fund	General Fund	72,803	5,000
Other	City Affordable Housing Fund	2,071,863	297,606
Other	Successor Housing Agency Program Income	1,300,000	151,212
Other	Boomerang Funds	2,000,000	0

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 Strategic Plan. These activities were performed throughout the City, with no directed geographic concentration of resources.

CDBG resources that were available to the City in PY2017 totaled \$1,494,614. This amount consists of \$903,714 of its annual HUD entitlement allocation, an estimated program income of \$366,000 and \$224,900 of prior years' funds. During the PY2017, the City actually received \$455,563 in program income generated from loan repayments of its NCIP program. A total of \$920,759 in CDBG funds were expended in PY2017.

HOME resources that were available to the City in PY2017 totaled \$964,106. This amount consists of \$299,356 of its annual HUD entitlement allocation, \$207,127 of program income, and \$457,623 of prior years' funds. A total of \$738,510 in HOME funds were expended in PY2017.

General Funds resources that were made available in PY2017 totaled \$72,803. This amount was allocated to the United Way 211 Information and Referral Services for tenant/landlord dispute resolution services. A total of \$5,000 was expended in PY2017.

The City Affordable Housing Fund resources made available in PY2017 totaled \$2,071,863.

- \$162,000 was budgeted for the operation of the Below Market Purchase Program (BMP) which targets moderate income homebuyers. A total of \$136,671 was expended in PY2017.
- \$550,000 set aside for First Time Home Buyer Program. It was determined that set-up of such a program would not be cost effective. No funds were spent on this program.
- \$160,915 was budgeted to supplement services in the City's TBRA program operated by Abode Services and continuation of Housing Trust of Silicon Valley TBRA security deposit program (Finally HOME). A total of \$69,817 and \$13,533 respectively was spent in PY2017.
- \$125,000 will fund case management services for chronically homeless individuals and families, leveraging housing subsidies from the County's Office of Supportive Housing. A total of \$77,565 was spent in PY2017.

- \$100,000 in one-time funds for a 30-month pilot homelessness prevention program in partnership with County. No funds were spent in PY2017 as the County did not ask for reimbursement as of the date of this CAPER.
- \$1,000,000 of funds were set aside for a NOFA to request new construction for affordable housing; however, no projects were funded.

The Successor Housing Agency Program Income Funds resources that were made available in PY2017 totaled \$1,300,000. A total of \$151,212 was expended in PY2017.

The Boomerang Funds resources made available in PY 2017 \$2,000,000. These funds were set aside for a NOFA to request new construction for affordable housing; however, no projects were funded.

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	\$6,648,767.52
2. Match contributed during current Federal fiscal year	\$ 295,609.57
3 .Total match available for current Federal fiscal year (Line 1 plus Line 2)	\$6,944,377.09
4. Match liability for current Federal fiscal year	\$ 119,940.57
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	\$6,824,436.52

Table 5 – Fiscal Year Summary - HOME Match Report

For Federal Fiscal Year 2017, the HOME Match Report shows the City's local match contribution of \$295,609.57 was more than its HOME program match liability of \$119,940.57 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	4/10/2017	0	\$10,735.55	0	0	0	0	\$10,735.55
Cypress	4/10/2017	0	\$9,990.65	0	0	0	0	\$9,990.65
De La Cruz	4/10/2017	0	\$10,198.77	0	0	0	0	\$10,198.77
SC Senior Homes	4/10/2017		\$8,596.39					\$8,596.39
BWC Jackson St.	4/10/2017	0	\$12,194.08	0	0	0	0	\$12,194.08
Liberty Tower	4/10/2017	0	\$44,228.32	0	0	0	0	\$44,228.32
BWC Main St.	4/10/2017	0	\$6,359.33	0	0	0	0	\$6,359.33
BWC Shafer House	4/10/2017	0	\$8,952.01	0	0	0	0	\$8,952.01
Westwood	4/10/2017	0	\$43,576.77	0	0	0	0	\$43,576.77
Chateau Apts.	4/10/2017	0	\$89,907.41	0	0	0	0	\$89,907.41
BWC Peacock Com.	4/10/2017	0	\$50,870.28	0	0	0	0	\$50,870.28

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 \$
\$630,529	\$207,127.47	\$29,925.75	0	\$807,730.72

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	0					
Dollar Amount	0	0	0	0	0	0
Sub-Contracts						
Number						
Dollar Amount						
	Total	Women Business Enterprises	Male			
Contracts						
Number	0	0	0			
Dollar Amount	0		0			
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	85	75
Number of Non-Homeless households to be provided affordable housing units	155	15
Number of Special-Needs households to be provided affordable housing units	0	0
Total	240	90

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	85	75
Number of households supported through The Production of New Units	4	8
Number of households supported through Rehab of Existing Units	151	10
Number of households supported through Acquisition of Existing Units	0	0
Total	240	93

Table 12 – Number of Households Supported

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

Homeless households to be provided affordable housing units. The City came 10 units short of its goal of 85. The HOME-funded activities of TBRA and deposit assistance for TBRA participants exceeded or met their goals. The 10 units short of the goal came from the locally-funded activity of providing housing assistance to chronically homeless households. Many of the most needy of the chronically homeless in Santa Clara were assisted through other county programs.

Non-Homeless households to be provided affordable housing units. The City was 140 units short of its 155 goal. An RFP was published last year in an effort to commit HOME funds to rehabilitate or develop rental units. The RFP did not result in a viable project. The City will attempt again this year to find a project(s) to fund. Also, the City's NCIP activity was affected by staffing challenges, and changes made to the program. The City has resolved the staffing issues, and has made changes to the program to loan more of the CDBG funds rather than granting the funds. This may result in lower numbers due to project size being larger; however, this change will provide the City with a source of program income in the future.

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%)	5	0	0	17
Low (>30% and <=50%)	3	0	0	26
Mod (>50% and <=80%)	2	0	0	1
Total Low-Mod	10	0	0	44
Non Low-Mod (>80%)	0	0	0	0
Total Beneficiaries	10	0	0	44

Table 13 – Number of Households Served

Narrative Information

There were 10 households served through the City's Neighborhood Conservation Improvement Program (NCIP) utilizing CDBG funds. All households were low-moderate income. For HOME funded activities, there were 44 households that received TBRA assistance. All households were low-mod income.

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 PY2017, 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 PY2017, 19 individuals received case management services and 19 were housed. The program was one person short of reaching its goal of 20 individuals. The population served in this program always poses a challenge in meeting goals. Reasons included the difficulty of keeping in touch with some of the clients due to the transitory nature.

Addressing the emergency shelter and transitional housing needs of homeless persons

In PY2017, the City provided \$21,858 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 76 individuals. A CDBG grant of \$9,612 was awarded to the Young Women's Christian Association (YWCA) which provided counseling and legal services to 34 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 HOME-funded TBRA program provided assistance to individuals or families who met the "at-risk of homelessness" conditions. The City also awarded a \$73,946 CDBG grant to the Bill Wilson Center for counseling programs for youth. 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 program uses HOME funds for deposits and subsidies, and local funds for case management services to support participants in their transition to long-term housing solutions through a contract with Abode Services. 44 households that were homeless or at risk of homelessness were assisted in PY2017. Deposits were provided to another 12 households through a HOME grant to the Housing Trust of Silicon Valley's Finally Home Program.

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, 2018, the SCCHA had 610 Section 8 vouchers under contract in the City. Approximately 287 of the voucher holders were used by persons with disabilities (of whom 201 were also elderly), and 260 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

When federal funds are used to develop or rehabilitate low-income units, the City requires that the developer make efforts to obtain input residents on the management of the development.

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. Because 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. In late 2017, an ordinance was adopted. 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) followed lead-based paint procedure requirements (e.g., information pamphlets, testing and mitigation as needed). In Program Year 2017, interim lead controls 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. Part of the case management services Abode Services provides to participants to help them transition to a more stable housing situation include:

- 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



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. In person trainings and webinars are used to keep staff up to date with regulator changes. The City has also added a Rehabilitation Inspector to support its homeowner rehabilitation program (NCIP), and a Development Officer to manage its federal funds and related activities.

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" 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 \$20,725 to Project Sentinel for provision of fair housing services in program year 2017. Project Sentinel provides comprehensive fair housing services including investigation, counseling, referral and education, designed to reduce the incidence of illegal discrimination in housing. In 2017, the City of Santa Clara provided an additional \$35,000 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 24 cases in 2017 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.

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 PY2017, 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. Regular progress reports are also required 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. At least every three years, on-site program audits and Housing Quality Inspections are conducted for all HOME projects. The City experienced staffing challenges during PY2017. The assigned inspector was splitting time with the City's Code Enforcement division. The City has since hired another inspector and is in the process of updating their asset management and inspection guidelines. It is expected that inspection for all HOME-funded properties will be completed in PY2018.

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 2017, the City continued to conduct quarterly onsite meetings and review of files to of the City's TBRA program to ensure the programs were operating optimally.

The City encourages City staff and its sub-recipients to actively solicit Minority and Women-Owned Business Enterprises (MBE/WBE) in their procurement of goods and services.

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 2017-2018 was made available for public review and comment for at least a 15-day period, from August 24, through September 11, 2018. 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 of the publication of the Draft CAPER. Any comments received during this period were added to the Draft CAPER, and included in the agenda report for the City Council's September 11, 2018 meeting. The agenda report will be available on the City's website. Any comments made at the City 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 2017, the City experienced staffing challenges that affected the NCIP program. The City has since hired a development officer to help administer and manage federal funds, and has also hired a dedicated housing inspector. Staff also has updated the NCIP guidelines, and made changes to the program. NCIP continues to be a popular program, and the only program that is generating program income through repayments of past loans. With that in mind, and future CDBG funding being question year after year, the City made the change to loan more of its funds and granting only minor home repair projects. This change will help meet our goals, and generate future funding for the program.

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.

Monitoring efforts to review rental housing projects for rental compliance requirements are “in progress”. The project status reports are reviewed and monitored on an annual basis. The City is in the process of updating its inspection guidelines, and it is expected that on-site inspections will be completed by the end of the calendar year.

Summary of HOME Rental Project Monitoring

Project Name	Year	Total Units	HOME Units	PSR Compliance Status
Briarwood House	2001	5	5	In Compliance
BWC Commons	2007	28	27	In Compliance
BWC Main Street	2002	5	4	In Compliance
BWC Shafer	2002	5	5	In Compliance
BWC Teen Parent	1996	5	3	In Compliance
Chateau Apts	1993	25	4	Out of Compliance
Cypress	2010	5	5	Out of Compliance
DeLaCruz House	2001	4	4	In Compliance
Homesafe San Jose	2004	25	3	In Compliance
Homesafe Santa Clara	2002	25	16	Out of Compliance
Liberty Tower	1998	101	100	In Compliance
Maitri Transitional	2009	10	9	In Compliance
Montgomery Street	1997	1	1	Affordability Per. Expired
Quetzal House	2009	5	5	Out of Compliance
Santa Clara Senior Homes	1994	6	3	In Compliance
Sobrato Family Living Ctr	2003	51	5	In Compliance
Stoney Pines Apts	2001	23	2	In Compliance
Vista Drive Apts	2004	24	1	In Compliance
Westwood Ambassador	1994	42	10	In Compliance

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. For the projects that are out of compliance as of the date of publication, the City is awaiting some data to be submitted to confirm compliance.

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

\$207,127 of HOME program income was received in program year 2017. Program income will be used primarily for City's TBRA program which benefit homeless families.

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 8 units that are affordable to low and moderate income homebuyers. Of the 8 for-sale units, 4 were sold to households earning less than 80% Area Median Income (AMI), 3 to households earning less than 100% AMI and 1 to households earning between 100% and 120% AMI. To purchase a BMP home, a buyer must have an income and cash assets – at least 3 % down – to buy a home and obtain a first mortgage.

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 less than 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 50 units are to be reserved for extremely low and 72 units for very low-income senior veterans. Staff is scheduled to present a Disposition and Development Agreement (DDA) to City Council on October 9, 2018 and construction is anticipated to start by July 2019.

The City owns three properties, which were acquired with the intent that they be developed and increase the City's affordable housing supply. Staff engaged in community outreach and initiated the Request for Development Proposals (RFP) process as a step toward accomplishing its goal of increasing the City's affordable housing stock. The three subject properties are located at 3575 De La Cruz Boulevard, 2330 Monroe Street, and 1021/1031 El Camino Real. RFPs were issued for both the Monroe Street and De La Cruz sites. Staff will be recommending a developer for the Monroe Street site on September 11, 2018 and proposals for the De La Cruz site are due on August 13th, 2018. Staff anticipates issuing an RFP for 1021/1031 El Camino Real during November 2018.

Affordable Housing Ordinance Takes Effect

The City of Santa Clara is committed to ensuring availability of affordable housing to moderate, low, very-low and extremely-low income households through the adoption of the Affordable Housing Ordinance and Impact Fees. The new requirements will include a combination of inclusionary requirements for residential projects and impact fees for smaller projects and nonresidential projects to provide a steady stream of affordable housing units and income to fund the provision of affordable housing projects across the City. Beginning on August 1, 2018, new projects will be subject to one-third (1/3) of the total in-lieu or impact fee as long as they are deemed complete by February 22, 2018. For projects that are deemed complete after February 22, 2019, the full requirements of the Affordable Housing Ordinance, including the in-lieu and impact fees, will be applicable.