

CITY OF WATSONVILLE



2025-2029 CONSOLIDATED PLAN AND 2025-2026 ACTION PLAN

Community Development Block Grant Program

City of Watsonville

**2025-2029 Five-Year Consolidated Plan
(July 1, 2025 - June 30, 2030)**

**2025-2026 Action Plan
(July 1, 2025 – June 30, 2026)**

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EXECUTIVE SUMMARY

ES-05 EXECUTIVE SUMMARY - 24 CFR 91.200(C), 91.220(B)

INTRODUCTION

The City of Watsonville (the City) is classified as an "entitlement jurisdiction," which means it receives annual Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) to invest in local communities and support low- and moderate-income (LMI) households. As part of this designation, HUD requires the City to prepare a Consolidated Plan every five years. This plan specifies the City's primary housing and community development needs and goals. Additionally, the Consolidated Plan outlines the City's overall strategies for investing federal entitlement grant funds and addresses important issues such as affordable housing, homelessness, poverty, and community development. This plan will cover the period from July 1, 2025, to June 30, 2030.

For each of the five years included in the plan, the City must develop an Action Plan to report on the distribution of the federal funding and a Consolidated Annual Performance Evaluation Report (CAPER) to identify the City's progress in meeting the goals discussed in the Consolidated Plan's Strategic Plan and Annual Action Plan. To meet the community's needs, the Consolidated Plan is guided by the following goals:

- Affordable Housing—Provide safe, decent, and affordable housing for extremely low- to moderate-income households by preserving and expanding the affordable housing stock. This includes supporting housing programs for individuals experiencing homelessness, such as emergency shelters, transitional housing, and permanent housing solutions, as well as efforts to prevent homelessness. Additionally, it aims to strengthen code enforcement efforts to ensure that housing quality and safety standards are consistently maintained.
- Economic Development – Provide opportunities to promote economic development and enhance the housing stock by expanding economic opportunities through improvements to downtown living areas and commercial/industrial environments.
- Public Services – Enhance public safety and living environments by supporting crime prevention efforts and expanding supportive services for youth, individuals with special needs, those experiencing homelessness, and low- to moderate-income households.
- Public Facilities—Enhance the community's image and living conditions by improving infrastructure and park facilities that meet the needs of low- and moderate-income residents, including continuous upgrades through public facility rehabilitation and infrastructure reconstruction.

The 2025-2029 Consolidated Plan serves the following functions:

1. A planning document for the City of Watsonville that builds on a participatory process.
2. An application for federal funds under HUD's CDBG formula grants program.
3. A strategy to be followed in carrying out HUD's programs.
4. An allocation of funds to specific projects for the first fiscal year of the Consolidated Plan.

How to Read this Consolidated Plan

The Consolidated Plan, as required by the U.S. Department of Housing and Urban Development (HUD), consists of five main sections and associated subsections. Each section has a HUD-required alphanumeric identifier, for example **ES** (Executive Summary), **PR** (Process), **NA** (Needs Assessment), **MA** (Housing Market Analysis), and **SP** (Strategic Plan). These sections are followed by the first-year Action Plan (AP).

The entire plan follows the format prescribed by HUD, with bold lettering denoting the HUD-prescribed topic areas and questions. Sections include:

1. **Executive Summary (ES):** a summary of the primary housing and community development needs identified in the Consolidated Plan; an evaluation of past performance of funds; and an overview of the community engagement activities that informed the plan.
2. **Process (PR):** a description of the stakeholder consultation and resident engagement that informed the priority housing and community development needs. Detailed engagement findings are presented in a Consolidated Plan appendix.
3. **Needs Assessment (NA):** assesses the needs of households at-risk of or experiencing homelessness, low to moderate income families and individuals, elderly residents, victims of domestic violence, persons living with HIV/AIDS, and people with disabilities.
4. **Housing Market Analysis (MA):** provides an overview of the housing market; identifies which households face challenges finding affordable housing; and assesses the business climate and economic development needs.
5. **Strategic Plan (SP):** This plan provides five-year priority needs and Goals that will guide investments over the Consolidated Planning period.
6. **Annual Action Plan:** specifies how the jurisdiction plans to allocate its HUD block grants during the program year

Consolidated Plan Timeframe

The 2025-2029 Consolidated Plan spans five fiscal years, from July 1, 2025, to June 30, 2030. During this period, the City anticipates receiving approximately \$634,804 in Community Development Block Grant (CDBG) funding directly from the Department of Housing and Urban Development (HUD) each year, based on the 2024 allocations provided by HUD.

Consolidated Plan Format

HUD has introduced a new tool for grantees to help prepare the Consolidated Plan and Action Plan within the Integrated Disbursement and Information System (IDIS), which tracks projects and funding. The goal

of this tool is to standardize the preparation process and ensure that all jurisdictions meet the required legal standards for these documents.

The tool retrieves data from HUD-approved sources, primarily the American Community Survey (ACS) dataset from 2011 to 2015. It also features a question-and-answer format to guide users through the process. While customization options are limited, the tool is designed to accommodate grantees receiving additional HUD funding, such as HOME, Emergency Shelter Grant (ESG), and Housing Opportunities for People with AIDS (HOPWA).

Income Definitions

The housing and community development funds from the U.S. Department of Housing and Urban Development (HUD) are designed to address the needs of the City's low- and moderate-income households. The City allocates these funds to support community development projects that benefit lower-income individuals, families, and those with special needs.

CDBG funding helps local governments address community development needs by promoting neighborhood revitalization, economic growth, and better housing and community services. Specifically, eligible entitlement communities can use these funds for public services, public facilities, infrastructure improvements (Capital Improvement Projects), housing repairs, energy efficiency upgrades, and job creation or retention efforts. These eligible activities primarily address the needs of low- and moderate-income (LMI) households, as defined by the U.S. Department of Housing and Urban Development (HUD). LMI households have incomes that do not exceed 80% of the area median family income (AMI), with adjustments for household size. Eligible census block groups are areas where the benefits of the activity are available to all residents, and at least 51% of households in these primary residential areas have an income below 80% of the Area Median Income (AMI). The median family income for a family of four in the City of Watsonville for 2024 is \$132,800, as determined by HUD.

Federal funds distributed through HUD's Community Development Block Grant (CDBG) program are primarily intended for activities that benefit low- and moderate-income (LMI) households. LMI households are defined as those with incomes that do not exceed 80% of the area median family income (AMI), with adjustments made based on household size. HUD categorizes LMI households into three income tiers:

- Extremely Low-Income: households earning 30% or less than the AMI
- Very Low-Income: households earning 50% or less than the AMI
- Low-Income: households earning 80% or less than the AMI

According to the Comprehensive Housing Affordability Strategy (CHAS) data from 2016 to 2020, there are a total of 14,315 households in Watsonville. Over half of these households are considered low-income, with the following breakdown:

- 28% (4,020 households) are classified as extremely low-income
- 19% (2,820 households) are regarded as very low-income
- 23% (3,360 households) fall under the low-income category

The Community Development Block Grant (CDBG) Entitlement Program provides funding to cities and counties based on a formula to help meet community development needs. At least 70% of the total funding must be allocated to support low- to moderate-income households. Eligible activities must fulfill one of the following national objectives:

- Benefit low- and moderate-income individuals.
- Prevent or eliminate slums and blight.
- Addressing urgent community development needs arising from conditions that pose a serious and immediate threat to the health or welfare of the community, for which no other funding sources are available (such as following a natural disaster or major health epidemic).

SUMMARY OF THE OBJECTIVES AND OUTCOMES IDENTIFIED IN THE PLAN

Each year, the U.S. Department of Housing and Urban Development (HUD) assesses the City's management of CDBG program funds, compliance with the Consolidated Plan, and the City's efforts to preserve and develop decent and affordable housing, create a suitable living environment, and expand economic opportunities.

The Needs Assessment evaluates the City's most pressing housing and community development challenges, focusing on affordable housing for low- to moderate-income (LMI) households, homelessness, and non-homeless special needs populations, including seniors, youth, and individuals with disabilities. It also assesses the demand for social services, public services, and public facility improvements, including accessible infrastructure, parks, youth and senior centers, and transitional or emergency housing.

Using U.S. Census data and insights from community engagement, this section identifies the City's priority needs. It establishes a data-driven foundation for addressing the housing and service gaps that impact its most vulnerable target populations, outlined below:

- Extremely low, very low, and low-income populations
- Homeless populations
- Senior households
- Youth

Through the consolidated planning process, the City has identified the following priority needs:

- Affordable Housing
- Transitional Housing and/or emergency housing for families and children
- Public facilities (either new or upgraded), including senior and youth centers and educational facilities
- Public improvements, especially those focused on increased accessibility and water infrastructure
- Fostering economic growth through the creation of employment opportunities and the support of new business ventures.

Throughout the 2025-2030 program years, the City anticipates funding projects related to these needs, subject to the availability of funding resources, nonprofit partnerships, and market conditions, which may ultimately limit the City's ability to fund some projects. The City will also maintain its program planning and administration policies and procedures.

EVALUATION OF PAST PERFORMANCE

The City's Consolidated Plan activities must meet one of the three national goals set by HUD, except for program administration activities. Overall, the City has effectively addressed its priority needs and implemented the programs outlined in the previous Consolidated Plan. Key accomplishments include administering a housing rehabilitation program, providing affordable housing and down payment assistance through CDBG and other funding sources, and partnering with El Pájaro Community Development Corporation to deliver technical assistance to micro-enterprise businesses.

In preparing this Consolidated Plan, the City evaluated its past performance to inform future goals and strategies. As the City is currently in Program Year (PY) 2024–2025, the accomplishments highlighted below reflect progress in PY 2020–2024.

Affordable Housing: The City used CDBG funds in combination with various federal, state, and local funding sources to enhance, maintain, and expand the City's affordable housing stock and support housing programs for the homeless, including emergency shelter, transitional, and permanent housing programs, and homeless prevention.

- Completed 2 100% affordable rental housing developments, Sparrow Terrace, consisting of 72 units, and Tabasa Gardens, consisting of 52 units
- Rehabilitated 28 owner-occupied residential housing units
- Rehabilitated 135 rental residential housing units
- Provided 17 homebuyer loans

Economic Development: The City provided opportunities to promote economic development and enhance the housing stock by expanding economic opportunities through improvements to downtown living areas and commercial/industrial environments.

- Supported subgrantee El Pájaro Community Development Corporation with funding to deliver technical assistance to 647 micro-enterprise businesses, reaching 447 participants from extremely low-income households, 399 from low-income households, and 74 from moderate-income households.

Public Services: The City allocated CDBG funds to strengthen public safety and promote suitable living environments by funding code enforcement efforts, increasing access to affordable housing, and providing supportive services to individuals with special needs, homeless people, and low-income families.

- Code Enforcement

- Supported Youth Center Staffing
- Youth Service programs

Public Facilities: The City of Watsonville allocated Community Development Block Grant (CDBG) funds to improve the community’s visual appeal and overall quality of life, focusing on serving low- and moderate-income residents. These investments supported the ongoing rehabilitation of public facilities and the reconstruction of essential infrastructure. The following are examples of funded projects:

- Callaghan Park Fiber Optic
- Senior Center Kitchen ADA & Other Improvements
- Davis Avenue Park Basketball Court Repairs
- City Plaza New Waste Receptacles
- City Plaza restrooms
- Ramsay Park Parking Lot ADA and Other Improvements
- Ramsay Park Renaissance Project

In addition to the accomplishments outlined above, HUD conducts an annual “timeliness test” each May to ensure that jurisdictions are expending funds promptly and efficiently. To pass this test, the City must maintain a line of credit balance of at least 1.5 times its current allocation. The City is pleased to report that it successfully passed the timeliness test each year during the current Consolidated Plan period, remaining fully compliant with HUD requirements.

SUMMARY OF CITIZEN PARTICIPATION PROCESS AND CONSULTATION PROCESS

The City of Watsonville offered several opportunities for participation and comment throughout the Consolidated Plan process. Engagement included:

- Three public meetings were held in English and Spanish on February 3, 2025, March 4, 2025, and April 2, 2025, providing a brief presentation on the Consolidated Plan process and a discussion of priority needs and solutions. The city conducted more public meetings than required by HUD to allow for further public participation
- Published meeting dates and material links on social media
- Notice of the Availability of the Plan was published on March 21, 2025, in the *Register-Pajaronian*, a newspaper of local circulation
- The City published a draft summary of the Consolidated Plan from April 7, 2025, for a thirty-day citizen commenting period, inviting citizens and community involvement in establishing priorities and the planning process
- Staff emailed a Community Needs Survey in English and Spanish to service providers to obtain feedback

Feedback received through outreach efforts, including meetings and online survey responses, is incorporated into the plan.

SUMMARY OF PUBLIC COMMENTS

Public comments received during the public hearing supported the funding of the identified activities.

SUMMARY OF COMMENTS OR VIEWS NOT ACCEPTED AND THE REASONS FOR NOT ACCEPTING THEM

The City has accepted all public comments received during the community engagement process. The City incorporates feedback received throughout the Consolidated Plan outreach efforts into the Plan.

SUMMARY

The 2025-2030 CDBG Consolidated Plan and 2025 Action Plan combine demographic data, market analysis, community feedback, input from local stakeholders, countywide objectives, the City's Strategic Plan, and collaboration between City staff and community organizations. This holistic approach ensures a clear understanding of the City's needs and priorities, particularly for its most vulnerable populations and neighborhoods. The plan uses this information to craft targeted strategies for allocating the limited CDBG funds over the next five years.

The goal for this period is to make effective and timely use of CDBG funds to promote the development of safe, healthy neighborhoods. Key priorities include maintaining affordable housing, addressing deteriorating conditions, and expanding economic opportunities for low- and moderate-income residents. The plan also focuses on improving accessibility, launching new public facility projects, and continuing vital social services and code enforcement efforts, all while ensuring that the City's most vulnerable populations benefit from these improvements. Additional projects may be considered as needs arise during the Consolidated Plan period.

THE PROCESS

PR-05 LEAD & RESPONSIBLE AGENCIES 24 CFR 91.200(B)

DESCRIBE THE AGENCY/ENTITY RESPONSIBLE FOR PREPARING THE CONSOLIDATED PLAN AND THOSE RESPONSIBLE FOR THE ADMINISTRATION OF EACH GRANT PROGRAM AND FUNDING SOURCE.

The City of Watsonville Community Development Housing Division is the entity responsible for preparing the Consolidated Plan and administering the City's Community Development Block Grant (CDBG).

Table 1- Responsible Agencies

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

NARRATIVE

The City of Watsonville (City) is the lead and responsible agency for the United States Department of Housing and Urban Development's (HUD) entitlement program. The City's Housing Division within the Community Development Department is responsible for administering the funds it receives under the Community Development Block Grant (CDBG).

Entitlement jurisdictions receive entitlement funding (i.e., non-competitive, formula funds) from HUD. By federal law, the City is required to submit a five-year Consolidated Plan and Annual Action Plan to HUD listing priorities and strategies for the use of its federal funds.

CONSOLIDATED PLAN PUBLIC CONTACT INFORMATION

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Email: housing@watsonville.gov

PR-10 CONSULTATION – 91.100, 91.110, 91.200(B), 91.300(B), 91.215(I) AND 91.315(I)

INTRODUCTION

In preparing the Consolidated Plan, the City consulted a broad range of agencies, including local and regional non-profits, government organizations, faith-based groups, fair housing advocates, and other entities involved in affordable housing development and preservation, job creation for low- and moderate-income residents, and services for vulnerable populations such as children, the elderly, individuals with disabilities, people with HIV/AIDS and their families, and homeless individuals.

Public participation is a cornerstone of the Consolidated Plan's development. It is essential for helping the City identify key needs, priorities, goals, strategies, and activities for future housing and community development over the next five years. To facilitate this consultation, the City gathered feedback through stakeholder surveys, consultations, public meetings, and public hearings. A Community Needs Survey was created in both English and Spanish and distributed to service providers via email.

The primary goal of the consultation process was to collect data that would help determine the priority needs of Watsonville residents and identify opportunities for improving service availability and accessibility. The insights gathered from these consultation partners played a crucial role in shaping the objectives and goals outlined in the Strategic Plan.

PROVIDE A CONCISE SUMMARY OF THE JURISDICTION'S ACTIVITIES TO ENHANCE COORDINATION BETWEEN PUBLIC AND ASSISTED HOUSING PROVIDERS AND PRIVATE AND GOVERNMENTAL HEALTH, MENTAL HEALTH AND SERVICE AGENCIES (91.215(I)).

The City of Watsonville recognizes the importance of careful coordination and alignment among various service providers to maximize the effectiveness of its programs. As a result, during the development of this Consolidated Plan, the City closely consulted with organizations that provide assisted housing, health services, and other community-focused agencies. Engagement efforts included outreach on social media, surveys with specific questions related to coordination, invitations to community meetings, and follow-up interviews where appropriate.

DESCRIBE COORDINATION WITH THE CONTINUUM OF CARE AND EFFORTS TO ADDRESS THE NEEDS OF HOMELESS PERSONS (PARTICULARLY CHRONICALLY HOMELESS INDIVIDUALS AND FAMILIES, FAMILIES WITH CHILDREN, VETERANS, AND UNACCOMPANIED YOUTH) AND PERSONS AT RISK OF HOMELESSNESS

The City of Watsonville is an active participant in the Watsonville/Santa Cruz City & County Continuum of Care (CoC), with the Santa Cruz County Homeless Action Partnership (HAP) serving as the lead agency for HUD's Continuum of Care Homeless Assistance Program. HAP oversees the full CoC membership and is

responsible for coordinating efforts to assist those who are homeless or at risk of homelessness throughout Santa Cruz County, including Watsonville.

The City of Watsonville plays a key role in the HAP Governance Board, the HAP Jurisdictional Executive Committee, and the Strategic Planning Committee. The CoC includes a diverse range of individuals and organizations from across the region, ensuring broad representation and input from various perspectives. The CoC also invites other community organizations and individuals to participate in its sub-groups and planning efforts.

The HAP Governance Board includes representatives from County Mental Health, the Cities of Santa Cruz, Watsonville, and Scotts Valley, United Way, Mountain Community Resources, the VA Medical Center, the Watsonville Law Center, and a homeless individual. CoC planning committees meet quarterly to identify service gaps, establish funding priorities, and develop a coordinated approach to addressing homelessness across the region.

DESCRIBE CONSULTATION WITH THE CONTINUUM(S) OF CARE THAT SERVE THE JURISDICTION'S AREA IN DETERMINING HOW TO ALLOCATE ESG FUNDS, DEVELOP PERFORMANCE STANDARDS AND EVALUATE OUTCOMES, AND DEVELOP FUNDING, POLICIES, AND PROCEDURES FOR THE ADMINISTRATION OF HMIS.

The City of Watsonville is not an ESG entitlement jurisdiction and therefore does not receive funds.

DESCRIBE AGENCIES, GROUPS, ORGANIZATIONS, AND OTHERS WHO PARTICIPATED IN THE PROCESS, AND DESCRIBE THE JURISDICTIONS' CONSULTATIONS WITH HOUSING, SOCIAL SERVICE AGENCIES, AND OTHER ENTITIES

See the table on the next page:

Table 2- Agencies, groups, and organizations that participated in the process

1	Agency/Group/Organization	Big Brothers Big Sisters of Santa Cruz County
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
2	Agency/Group/Organization	California Rural Legal Assistance, Inc.
	Agency/Group/Organization Type	Services-Victims of Domestic Violence Service-Fair Housing Legal Assistance and Continuum of Care
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
3	Agency/Group/Organization	CASA of Santa Cruz County
	Agency/Group/Organization Type	Services-Children Services-Victims of Domestic Violence
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.

4	Agency/Group/Organization	Catholic Charities
	Agency/Group/Organization Type	Housing Continuum of Care and Faith Based Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
5	Agency/Group/Organization	Center for Employment Training (CET)
	Agency/Group/Organization Type	Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy Non-Housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
6	Agency/Group/Organization	Central Coast Center for Independent Living
	Agency/Group/Organization Type	Services-Persons with Disabilities Continuum of Care
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis, Non-housing Community Development Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
7	Agency/Group/Organization	Central Coast Energy Services, Inc.
	Agency/Group/Organization Type	Housing

	4What section of the Plan was addressed by 5onsultation?	Market Analysis
	6ow was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
8	Agency/Group/Organization	Central Coast Small Business Development Center (SBDC)
	Agency/Group/Organization Type	Small business services
	What section of the Plan was addressed by Consultation?	Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
9	Agency/Group/Organization	Community Action Board Of Santa Cruz
	Agency/Group/Organization Type	Housing Continuum of Care, Referral and counseling service
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
10	Agency/Group/Organization	Community Bridges (AKA La Manzana Community Resources)
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Health Services-Education Continuum of Care, Referral Service

	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
11	Agency/Group/Organization	El Pajaro Community Development Corporation
	Agency/Group/Organization Type	Services-Education Services-Employment Economic Development
	What section of the Plan was addressed by Consultation?	Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
12	Agency/Group/Organization	Encompass
	Agency/Group/Organization Type	Housing Services-Children Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Health Services-Education Continuum of Care
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.

13	Agency/Group/Organization	Families in Transition of Santa Cruz County, Inc.
	Agency/Group/Organization Type	Services-homeless Continuum of Care
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
14	Agency/Group/Organization	Family Service Agency of the Central Coast
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Health
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
15	Agency/Group/Organization	Farm Bureau of Santa Cruz County
	Agency/Group/Organization Type	Services-Education Farming Advocacy
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Market Analysis Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.

16	Agency/Group/Organization	Housing Authority of Santa Cruz County
	Agency/Group/Organization Type	PHA Continuum of Care
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input. In addition, the Agency was contacted via email seeking information about public housing activities in Watsonville, which was provided and included in the Plan.
17	Agency/Group/Organization	Housing Choices Coalition
	Agency/Group/Organization Type	Housing Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
18	Agency/Group/Organization	Monarch Services (AKA Women's Crises Support-Defensa de Mujeres)
	Agency/Group/Organization Type	Services-Victims of Domestic Violence
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input. In addition, the Director was contacted via email seeking information about victims of domestic or other violent acts.
19	Agency/Group/Organization	Pajaro Valley Chamber of Commerce
	Agency/Group/Organization Type	Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy Non-housing Community Development Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
20	Agency/Group/Organization	Pajaro Valley Children's Center
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
21	Agency/Group/Organization	Pajaro Valley Loaves and Fishes
	Agency/Group/Organization Type	Food Pantry
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
22	Agency/Group/Organization	PAJARO VALLEY SHELTER SERVICES
	Agency/Group/Organization Type	Housing Services-Victims of Domestic Violence Services-homeless Continuum of Care,
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Non-Homeless Special Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.

23	Agency/Group/Organization	Salud Para La Gente
	Agency/Group/Organization Type	Services-Health Health Agency
	What section of the Plan was addressed by Consultation?	Lead-based Paint Strategy Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
24	Agency/Group/Organization	Salvation Army
	Agency/Group/Organization Type	Housing Services-Children Services-Elderly Persons Services-Victims of Domestic Violence Services-homeless Regional organization Continuum of Care, Emergency Disaster Relief
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Non-Homeless Special Needs Market Analysis Anti-poverty Strategy Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
25	Agency/Group/Organization	San Andreas Regional Center
	Agency/Group/Organization Type	Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.

26	Agency/Group/Organization	Santa Cruz AIDS Project
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS Continuum of Care
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input. In addition, Agency was consulted by telephone.
27	Agency/Group/Organization	Santa Cruz County Business Council
	Agency/Group/Organization Type	Business Leaders
	What section of the Plan was addressed by Consultation?	Market Analysis Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
28	Agency/Group/Organization	Santa Cruz County Planning Department (Economic Development)
	Agency/Group/Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
29	Agency/Group/Organization	Santa Cruz County Planning Department (Housing)
	Agency/Group/Organization Type	Other government - County Continuum of Care

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Non-Homeless Special Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input. In addition, Agency was contacted via phone seeking information about homelessness.
30	Agency/Group/Organization	Santa Cruz County Workforce Investment Board
	Agency/Group/Organization Type	Services-Employment Other government - County Planning organization
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
31	Agency/Group/Organization	Second Harvest Food Bank
	Agency/Group/Organization Type	Food Bank
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
32	Agency/Group/Organization	Senior Circle
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Non-housing Community Development Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
33	Agency/Group/Organization	Seniors Council of Santa Cruz County (AKA Area Agency on Aging)
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
34	Agency/Group/Organization	United Way of Santa Cruz County
	Agency/Group/Organization Type	Regional organization Continuum of Care, Variety of Services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted by phone seeking information about victims of domestic or other violent acts.
35	Agency/Group/Organization	Volunteer Center of Santa Cruz County
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted by phone seeking information about the needs of persons with HIV/AIDS.

36	Agency/Group/Organization	Watsonville Family YMCA
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
37	Agency/Group/Organization	Watsonville Law Center
	Agency/Group/Organization Type	Services-Victims of Domestic Violence Service-Fair Housing Legal Assistance
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.
38	Agency/Group/Organization	Youth Services (AKA Pajaro Valley Prevention and Student Assistance)
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.

39	Agency/Group/Organization	YWCA
	Agency/Group/Organization Type	Services-Children Services-Victims of Domestic Violence Services-Health Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Anti-poverty Strategy Non-housing Community Development Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted via email and invited to provide input.

IDENTIFY ANY AGENCY TYPES NOT CONSULTED AND PROVIDE RATIONALE FOR NOT CONSULTING

No agency types were intentionally excluded from the consultation process. Various organizations were invited to participate in the development of the Consolidated Plan through stakeholder and resident surveys, as well as workshops. Publishing on the newspaper and posting on social media invited new input.

DESCRIBE OTHER LOCAL/REGIONAL/STATE/FEDERAL PLANNING EFFORTS CONSIDERED WHEN PREPARING THE PLAN

Table 3 – Other local / regional / federal planning efforts

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Housing for Health Partnership (H4HP), County of Santa Cruz	The Santa Cruz County Homeless Action Partnership (HAP) identifies funding gaps and submits yearly applications to HUD for Continuum of Care (CoC) funds, focusing on new and renewing projects that address local needs and support the County's efforts to end Homelessness. The City of Watsonville is actively involved in these efforts.
Strategic Plan 2023-2025	City of Watsonville City Council	The City of Watsonville's Strategic Plan outlines strategic goals to enhance economic development opportunities, expand access to affordable housing, improve the City's infrastructure, strengthen fiscal health, prioritize public safety, foster increased community engagement and well-being, and optimize government efficiency
City of Watsonville 2023-2031 Housing Element	City of Watsonville Community Development Department	The Housing Element encompasses several goals that align with the Strategic Plan, including promoting fair housing for all, providing housing for individuals with special needs, preserving existing housing, and producing new affordable housing.
Watsonville 2005 General Plan and draft 2050 General Plan	City of Watsonville	Aligns with the strategic plan goal of improving the quality of life for the City's low- and moderate-income community. The General Plans address a wide range of issues that affect Watsonville, including development restrictions, economic, and social concerns that impact the overall quality of life for residents.
2-1-1 Santa Cruz County Annual Report	United Way of Santa Cruz County	This report aligns with the strategic plan's goal of supporting the Continuum of Care. It details the needs of Watsonville residents and serves as an ongoing needs assessment for our low— and moderate-income residents.
AMBAG	AMBAG	AMBAG is the tri-county agency responsible for identifying regional housing needs for the three-county region. Every 7 years, they coordinate the State Regional Housing Needs Assessment (RHNA) numbers for the tri-county area, which includes Santa Cruz, Monterey, and San Benito Counties, to inform affordable housing development. These numbers are then included in local jurisdictions' Housing Elements updates.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Climate Action Plan (CAP) 2030	City of Watsonville	The CAP and Consolidated Plan share goals of aligning affordable housing and resilience investments across the city.

DESCRIBE COOPERATION AND COORDINATION WITH OTHER PUBLIC ENTITIES, INCLUDING THE STATE AND ANY ADJACENT UNITS OF GENERAL LOCAL GOVERNMENT, IN THE IMPLEMENTATION OF THE CONSOLIDATED PLAN (91.215(L))

The City of Watsonville actively participates in regional planning efforts and several working groups focused on issues related to CDBG and housing. It will continue to collaborate with the Housing Authority of Santa Cruz County and the Homeless Action Partnership (HAP). Additionally, the City coordinates with the California Department of Housing and Community Development (HCD) to ensure compliance with the Housing Element and alignment with state housing goals, while also fulfilling federal Consolidated Plan requirements.

PR-15 CITIZEN PARTICIPATION – 91.105, 91.115, 91.200(C) AND 91.300(C)

SUMMARY OF CITIZEN PARTICIPATION PROCESS/EFFORTS MADE TO BROADEN CITIZEN PARTICIPATION

- Three public meetings were held in English and Spanish on February 3, 2025, March 4, 2025, and April 2, 2025, providing a brief presentation on the Consolidated Plan process and a discussion of priority needs and solutions. The city conducted more public meetings than required by HUD to allow for further public participation
- Published meeting dates and material links on social media
- Notice of the Availability of the Plan was published on March 21, 2025, in the *Register-Pajaronian*, a newspaper of local circulation
- The City published a draft summary of the Consolidated Plan from April 7, 2025, for a thirty-day citizen commenting period, inviting citizens and community involvement in establishing priorities and the planning process
- Staff emailed a Community Needs Survey in English and Spanish to service providers to obtain feedback
- Notice of Public Hearing on the Consolidated Plan and Action Plan was published on June 20, 2025.
- The City Council will hold a Public Hearing on July 8, 2025, in the City of Watsonville Council Chambers to receive public comments and consider approval of the 2025-2029 Consolidated Plan and Program Year 2025-2026 Annual Action Plan.

Table 4- Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of Comments Received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Minorities Non-English Speaking - Specify other language: Spanish. Non-targeted/broad community	No comments were received during the public meeting.	No comments were received during the public meeting.	N/A	N/A

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of Comments Received	Summary of comments not accepted and reasons	URL (if applicable)
2	Public Meeting	Minorities Non-English Speaking - Specify other language: Spanish. Non-targeted/broad community	Please see the summary of comments received.	The lack of affordable housing, the rise in homelessness, and the need for public services were the most frequently cited concerns.	N/A	N/A
3	Public Meeting	Minorities Non-English Speaking - Specify other language: Spanish. Non-targeted/broad community	No comments were received during the public meeting.	No comments were received during the public meeting.	N/A	N/A

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of Comments Received	Summary of comments not accepted and reasons	URL (If applicable)
4	Public Hearing	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	Hearing and approval by City Council	No comments were received during the public hearing.	N/A	N/A
5	Newspaper Ad	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish.</p> <p>Non-targeted/broad community</p>	Ad for public meetings and public hearing	No comments were received during the public meeting.	N/A	N/A

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of Comments Received	Summary of comments not accepted and reasons	URL (if applicable)
6	2025-2029 Consolidated Plan Needs Assessment Survey	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p>	The Needs Assessment Survey was disseminated in electronic form in English and Spanish to advise the City on the highest priority housing, community, and economic development needs in Watsonville	All comments were accepted and incorporated into the survey results	N/A	N/A

NEEDS ASSESSMENT

NA-05 OVERVIEW

NEEDS ASSESSMENT OVERVIEW

The Needs Assessment section of the Consolidated Plan, informed by consultations and public input through the citizen participation process, offers a comprehensive overview of the City's needs related to affordable housing, special needs housing, community development, and homelessness. The assessment is organized into six key subsections:

- Housing Needs Assessment
- Disproportionately Greater Need
- Public Housing
- Homeless Needs Assessment
- Non-Homeless Needs Assessment
- Non-Housing Community Development Needs

Many of the data tables referenced in this section utilize default values from HUD, primarily based on the Comprehensive Housing Affordability Strategy (CHAS) dataset. This dataset is derived from the 2016-2020 American Community Survey (ACS) conducted by the U.S. Census Bureau. Due to the nature of the data collection, figures for the same topic may vary across different tables. For example, estimates for cost burden may differ slightly due to the distinct methodologies used by HUD and the Census Bureau when analyzing multi-year survey data.

The analysis in subsequent sections emphasizes the percentage of households by type and income level, rather than the precise number of households. Additionally, the report incorporates data from various other sources to supplement the HUD default data, particularly in areas where HUD-provided data is unavailable.

NA-10 HOUSING NEEDS ASSESSMENT - 24 CFR 91.205 (A,B,C)

SUMMARY OF HOUSING NEEDS

This section provides an overview of the housing needs present in the City of Watsonville, including the degree and distribution of “housing problems” within multiple income brackets.

HUD defines *housing problems* as units or households with one or more of the following characteristics:

- Housing lacks complete kitchen facilities.
- Housing lacks complete plumbing facilities.
- Overcrowded housing, meaning 1-1.5 people per room (not only bedrooms).
- Cost-burdened households—paying more than 30% of income toward housing costs, including utilities.

HUD defines *severe housing problems* as:

- Severely overcrowded housing with more than 1.5 people per room
- Severely cost-burdened households—paying more than 50% of income toward housing costs, including utilities.

Expanding access to safe, affordable, and well-maintained housing remains a critical priority for supporting the well-being and quality of life for all segments of Watsonville’s population.

Watsonville is primarily a family-oriented community, with most households comprising small, related families and an average household size of 3.35. Many of these households include both elderly individuals (age 62 and older) and young children under the age of six. Many Watsonville households are classified as low-income, and a large percentage spend 30% or more of their income on housing. This combination of high housing costs and relatively low incomes contributes to housing instability and overcrowding in homes.

The city also has a significant number of aging homes, with over half of its housing stock dating back more than 35 years. Many of these homes are at risk of deterioration without proper maintenance, a limited resource, especially among households already burdened by high housing costs.

Geographic constraints, along with policy decisions at the County and State levels, further limit Watsonville’s capacity to expand, develop, or preserve affordable housing. Recent residential development has primarily consisted of infill projects within existing neighborhoods, with few units affordable to extremely low-income residents and only limited options for those with low to moderate incomes.

Please note the tables in this section below were generated by HUD.

Table 5 - Housing Needs Assessment- Demographics

Data Source: 2000 Census (Base Year), 2016-2020 ACS (Most Recent Year)

Demographics	Base Year: 2016	Most Recent Year: 2020	% Change
Population	52,545	52,400	0%
Households	14,215	14,315	1%
Median Income	\$46,018	\$61,496	34%

Table 6 - Housing Needs Assessment- Number of Households

Data Source: 2016-2020 CHAS

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	4,020	2,820	3,355	1,500	2,620
Small Family Households	1,255	1,055	1,855	660	1,060
Large Family Households	755	855	670	410	665
Household contains at least one person 62-74 years of age	1020	540	595	295	715
Household contains at least one person age 75 or older	730	410	245	75	205
Households with one or more children 6 years old or younger	850	790	955	369	315

HOUSING NEEDS SUMMARY TABLES

**Table 7 - Housing Problems
(Households with one of the listed needs)**

Data Source: 2016-2020 CHAS

Type of Housing Problem/Issue	Number of Households by Percent Area Median Income (AMI)									
	Renter					Owner				
	0-30%	>30-50%	>50-80%	>80-100%	Total	0-30%	>30-50%	>50-80%	>80-100%	Total
Substandard Housing - Lacking complete plumbing or kitchen facilities	50	45	0	0	95	0	4	0	0	4
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	325	120	220	10	675	0	55	30	40	125
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	350	645	220	0	1,215	0	30	185	140	355
Housing cost burden greater than 50% of income (and none of the above problems)	1,620	275	15	0	1,910	620	185	20	10	835
Housing cost burden greater than 30% of income (and none of the above problems)	440	595	350	55	1,440	135	40	315	215	705
Zero/negative Income (and none of the above problems)	25	0	0	0	25	4	0	0	0	4

Table 8 – Housing Problems 2
(Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

Data Source: 2016-2020 CHAS

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	2,345	1,080	450	10	3,885	620	275	235	195	1,325
Having none of four housing problems	750	945	1,475	270	3,440	305	520	1,190	1,025	3,040
Household has negative income, but none of the other housing problems	0	0	0	0	0	0	0	0	0	0

Table 9 – Cost Burden >30%

Data Source: 2016-2020 CHAS

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	1,035	630	190	1,855	175	20	260	455
Large Related	710	490	10	1,210	15	125	10	150
Elderly	635	165	85	885	565	100	55	720
Other	355	120	80	555	0	0	25	25
Total need by income	2,735	1,405	365	4,505	755	245	350	1,350

Table 10 – Cost Burden >50%

Data Source: 2016-2020 CHAS

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	0	0	105	105	145	20	0	165
Large Related	0	0	65	65	15	125	0	140
Elderly	475	75	0	550	460	60	10	530
Other	0	315	75	390	0	0	0	0
Total need by income	475	390	245	1,110	620	205	10	835

Table 11 – Crowding (more than one person per room)

Data Source: 2016-2020 CHAS

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single-family households	610	545	330	0	1,485	0	70	55	60	185
Multiple, unrelated family households	70	200	110	10	390	0	15	160	120	295
Other, non-family households	0	20	0	0	20	0	0	0	0	0
Total need by income	680	765	440	10	1,895	0	85	215	180	480

Table 12 – Crowding 2 (Households with children present)

Data Source:

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	0	0	0	0	0	0	0	0

DESCRIBE THE NUMBER AND TYPE OF SINGLE-PERSON HOUSEHOLDS IN NEED OF HOUSING ASSISTANCE.

According to the U.S. Census Bureau's 2023 ACS 5-Year Estimate Summary, there are 1,207 single-person homeowner households and 1,606 single-person renter households in the City of Watsonville. Since the 2020 Census, the number of single-person homeowners has increased by 13%, while single-person renter households have grown by 24.3%. This growth has occurred alongside a 3.4% overall increase in homeowner households and a 9.26% increase in renter households, indicating that single-person renters are a rapidly growing segment of the population.

Household size and composition in Watsonville reflect a complex interplay of demographic and economic factors, particularly the local housing market. The city's high cost of housing, combined with relatively lower household incomes, has contributed to larger household sizes, often composed of related family members with children. According to the 2023 American Community Survey (ACS), the average household size in Watsonville was 3.35 persons, underscoring its character as a predominantly family-oriented community.

Single-person households represent a smaller but significant portion of the population. ACS data shows that approximately 18.4% of all households in Watsonville are single-person households, with 48% of these households headed by individuals aged 65 or older.

Senior households often face unique housing challenges due to a combination of fixed incomes, rising healthcare costs, and age-related physical limitations. These factors may limit their ability to obtain or maintain affordable, accessible, and appropriate housing.

While programs supporting homeownership, rental assistance, and housing rehabilitation can benefit single-person households across all age groups, the high proportion of elderly individuals living alone highlights the need for targeted interventions. These may include:

- Supportive housing service
- Congregate care or assisted living options
- Accessibility improvements and modifications

Expanding such programs can help ensure that Watsonville's aging residents are able to age in place safely and with dignity.

ESTIMATE THE NUMBER AND TYPE OF FAMILIES IN NEED OF HOUSING ASSISTANCE WHO ARE DISABLED OR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING.

According to the 2023 ACS 5-Year Estimates, approximately 6,109 individuals in the City of Watsonville have a disability, representing 11% of the city's population aged five and older. Among this population, 5.6% are under the age of 18, 40.8% are 65 years or older, and 8.9% fall within the working-age range of 18 to 64 years. Living arrangements for individuals with disabilities vary widely based on the type and severity of the disability. Many individuals, whether living independently or with family members, require

assistance with features such as accessible housing, in-home supportive services, rental or homeownership assistance, and transportation options.

Data from the 2022 California Department of Social Services indicates that Santa Cruz County has 387 licensed Adult and Senior Care facilities with the capacity to serve approximately 8,205 individuals with disabilities who need specialized care in non-home settings. Although data specific to Watsonville was not available, the City's Housing Element identified 13 licensed care facilities within city limits, which provide services for up to 185 individuals.

Limited data is available on the number and types of households impacted by domestic violence or other forms of abuse. However, records from the Watsonville Police Department indicate there was a total of 1,227 combined reports of domestic violence, dating violence, sexual assault, and stalking between 2020 and 2025. The ongoing need for temporary or transitional housing, along with rental and homeownership assistance, remains critical for survivors, particularly for single-person households and single heads of household with children or dependent family members.

WHAT ARE THE MOST COMMON HOUSING PROBLEMS?

Housing cost burden is the most significant housing challenge faced by residents of Watsonville. According to recent data, approximately 56% of all households in the city are cost-burdened, spending more than 30% of their income on housing, while 44% experience a cost burden below that threshold. Cost burden is measured as the ratio of housing expenses to household income. For renters, this includes rent and utilities; for homeowners, it encompasses mortgage payments, property taxes, insurance, homeowners' association (HOA) fees, and utilities.

Overcrowding is the second most prevalent housing issue in Watsonville. The city's physical geography—bordered by farmland, sloughs, and the Pájaro River—has limited its capacity for outward growth. With most available vacant and underutilized land already developed, the potential for expansion is constrained. Furthermore, land use policies established by the County of Santa Cruz and the Local Agency Formation Commission (LAFCO), combined with Measure Q (the 2022 voter-approved Watsonville Planned Growth and Farmland Protection Initiative), limit annexation of adjacent unincorporated areas. As a result, future housing development is expected to focus primarily on infill within existing neighborhoods.

Compounding these challenges is the aging housing stock in Watsonville. According to 2016 CHAS data, over 55% of the city's housing units are more than 35 years old. Generally, structures over 30 years old begin to show signs of wear and require ongoing maintenance, as well as, in many cases, substantial rehabilitation.

Preserving and enhancing the quality of the city's housing stock is a key priority. Without regular upkeep, homes can deteriorate, leading to declining property values, reduced neighborhood investment, and diminished quality of life for residents. Ensuring that Watsonville's housing remains safe, livable, and affordable is crucial to maintaining the community's vitality and sustainability.

ARE ANY POPULATIONS/HOUSEHOLD TYPES MORE AFFECTED THAN OTHERS BY THESE PROBLEMS?

Extremely low-income renter households in Watsonville encounter the most significant challenges in securing and maintaining stable housing. These renters face disproportionately high housing cost burdens, often spending well over 30% of their income on housing expenses, which limits their ability to afford other necessities. Additionally, overcrowding is a prevalent issue among this group, leading to strained living conditions. Within this context, households related to one another, those composed of family members, represent the largest segment affected by elevated housing costs. Meanwhile, single-family households bear most overcrowding challenges, often due to limited affordable housing options and the city's constrained housing supply

DESCRIBE THE CHARACTERISTICS AND NEEDS OF LOW-INCOME INDIVIDUALS AND FAMILIES WITH CHILDREN (ESPECIALLY EXTREMELY LOW-INCOME) WHO ARE CURRENTLY HOUSED BUT ARE AT IMMINENT RISK OF EITHER RESIDING IN SHELTERS OR BECOMING UNSHELTERED 91.205(C)/91.305(C)). ALSO DISCUSS THE NEEDS OF FORMERLY HOMELESS FAMILIES AND INDIVIDUALS WHO ARE RECEIVING RAPID RE-HOUSING ASSISTANCE AND ARE NEARING THE TERMINATION OF THAT ASSISTANCE

According to the 2016–2020 American Community Survey (ACS), the City of Watsonville has a total of 14,315 households, of which 3,279 include one or more children aged six or younger. Among these, approximately 850 households fall into the extremely low-income category. Households with young children and minimal incomes are especially vulnerable, facing an elevated risk of housing instability and homelessness due to the combined pressures of high housing costs and limited resources.

To support the stability and well-being of these families, there is a clear need for additional affordable housing and a range of supportive services. These may include short- and long-term financial assistance, temporary or transitional shelter options, job training and educational programs, as well as the development of affordable rental and homeownership opportunities. A comprehensive, coordinated approach is critical to helping these households secure and sustain safe, stable housing.

IF A JURISDICTION PROVIDES ESTIMATES OF THE AT-RISK POPULATION(S), IT SHOULD ALSO INCLUDE A DESCRIPTION OF THE OPERATIONAL DEFINITION OF THE AT-RISK GROUP AND THE METHODOLOGY USED TO GENERATE THE ESTIMATES:

Watsonville does not have specific estimates of the at-risk population.

SPECIFY PARTICULAR HOUSING CHARACTERISTICS THAT HAVE BEEN LINKED WITH INSTABILITY AND AN INCREASED RISK OF HOMELESSNESS

Low-income households make up nearly half of all households in Watsonville. The combination of limited income and high housing costs is a primary driver of financial instability and an increased risk of homelessness in the community. As households are forced to dedicate a larger share of their income toward housing expenses, they have fewer resources available for essential needs such as food, transportation, healthcare, and clothing. This financial strain also limits their ability to save for

emergencies, retirement, or unexpected expenses—further compounding their vulnerability and reducing their capacity to secure or maintain stable housing.

DISCUSSION

The majority of households in Watsonville are small, related single-family households earning at or below 50% of the County’s median income, placing them in the low-income category. Many of these households include at least one elderly person aged 62 or older and one or more children under the age of six. Most of these families spend more than 30% of their income on housing, which significantly contributes to housing instability in the city.

Preserving the existing housing stock while expanding access to affordable housing and supportive services is critical to improving and maintaining the quality of life for all Watsonville residents. Targeted investments in housing affordability, rehabilitation, and community-based support can help ensure that vulnerable households are able to remain stably housed and thrive.

NA-15 DISPROPORTIONATELY GREATER NEED: HOUSING PROBLEMS – 91.205 (B)(2)

INTRODUCTION

According to HUD, a disproportionately greater need is identified when the percentage of individuals in a specific need category who belong to a particular racial or ethnic group is at least 10 percentage points higher than the percentage for all individuals in that category. This section evaluates housing needs among racial and ethnic groups that may experience disproportionately high levels of need.

The four housing problems considered are:

1. Lack of complete kitchen facilities
2. Lack of complete plumbing facilities
3. Overcrowding (more than one person per room)
4. Cost burden greater than 30% of income

Based on the data, 30% of households in the extremely low-income category (0–30% of Area Median Income) experienced at least one of these housing problems. However, since no racial or ethnic group exceeded this percentage by 10 percentage points or more, no disproportionately greater needs were identified within this income bracket.

**Table 13 – Disproportionately Greater Need-
0%-30% of Area Median Income
(Extremely Low-Income)**

Data Source: 2016-2020 CHAS

Housing Problems	Has one or more of the four housing problems	Has none of the four housing problems	The household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,550	475	0
White	695	155	0
Black / African American	0	0	0
Asian	90	45	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	2,755	270	0

Table 13 reports the number of extremely low-income (30 percent of the Area Median Income or less) households by racial and ethnic group that experienced one (1) or more of the four (4) housing problems discussed previously, as well as the number of households that experienced none (0) of the four (4) housing problems—of the reported racial and ethnic groups, Hispanic households represented 77% of the total households with one (1) or more housing problems, White households represented 20% and Asian households 3%.

**Table 14 – Disproportionately Greater Need-
30%-50% of Area Median Income
(Very Low-Income)**

Data Source: 2016-2020 CHAS

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	The household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,995	830	0
White	210	265	0
Black / African American	0	0	0
Asian	20	15	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	1,750	550	0

Table 14 reports the number of very low-income (between 30 and 50 percent of the Area Median Income or less) households by racial and ethnic group that experienced one (1) or more of the four (4) housing problems discussed previously, as well as the number of households that experienced none (0) of the four (4) housing problems—of the reported racial and ethnic groups, Hispanic households represented 88% of the total households with one (1) or more housing problems, White households represented 11% and Asian households 1%.

**Table 15 – Disproportionately Greater Need-
50%-80% of Area Median Income
(Low-Income)**

Data Source: 2016-2020 CHAS

Housing Problems	Has one or more of the four housing problems	Has none of the four housing problems	The household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,355	2,000	0
White	200	365	0
Black / African American	0	0	0
Asian	40	125	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	1,105	1,495	0

Table 15 reports the number of low-income (between 50 and 80 percent of the Area Median Income or less) households by racial and ethnic group that experienced one (1) or more of the four (4) housing problems discussed previously, as well as the number of households that experienced none (0) of the four

(4) housing problems—of the reported racial and ethnic groups, Hispanic households represented 82% of the total households with one (1) or more housing problems, White households represented 15% and Asian households 3%.

**Table 16 – Disproportionately Greater Need-
80%-100% of Area Median Income
(Median Income)**

Data Source: 2016-2020 CHAS

Housing Problems	Has one or more of the four housing problems	Has none of the four housing problems	The household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	475	1,020	0
White	110	230	0
Black / African American	0	0	0
Asian	0	25	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	365	750	0

Table 16 reports the number of median income (between 80 and 100 percent of the Area Median Income or less) households by racial and ethnic group that experienced one (1) or more of the four (4) housing problems discussed previously, as well as the number of households that experienced none (0) of the four (4) housing problems—of the reported racial and ethnic groups, Hispanic households represented 77% of the total households with one (1) or more housing problems and White households represented 23%.

DISCUSSION

According to 2016–2020 CHAS data, approximately 7,375 households in Watsonville experienced one or more housing problems, such as overcrowding, severe cost burden, or lacking complete kitchen or plumbing facilities. Among these households, 48% were extremely low-income, earning 0-30% of the Area Median Income (AMI)- the income group with the highest incidence of housing problems. By contrast, only 18% of households in higher low-income brackets experience similar issues.

The CHAS analysis also evaluates disproportionate housing need, defined as when a racial or ethnic group experiences housing problems at rates 10 percentage points higher than others within the same income category. Among extremely low-income households, Hispanic households were the most disproportionately impacted, followed by White and Asian households. This pattern persists across other income brackets. In the very low-income (30–50% AMI) and low-income (50–80% AMI) groups, Hispanic households again showed the highest rates of housing problems. Even among moderate-income households (80–100% AMI), disparities remain, with Hispanic households continuing to experience elevated levels of housing instability.

These findings underscore the urgent need for targeted strategies to reduce housing disparities and improve conditions for disproportionately affected populations—particularly Hispanic households—across all income levels. Solutions may include expanding affordable housing, increasing rental assistance programs, and enhancing culturally responsive outreach and support services.

NA-20 DISPROPORTIONATELY GREATER NEED: SEVERE HOUSING PROBLEMS – 91.205 (B)(2)

INTRODUCTION

According to HUD, a disproportionately greater need is identified when any group has a need that is 10 percentage points or higher than the jurisdiction or household category. This section assesses the needs of racial and ethnic groups with a disproportionately severe housing problem or needs. The four housing problems considered are:

1. Lack of complete kitchen facilities
2. Lack of complete plumbing facilities
3. Overcrowding (more than 1.5 persons per room)
4. Cost burden greater than 50% of income

Based on the data, 44.5% of households in the extremely low-income category (0–30% of Area Median Income) experienced one or more severe housing problems. However, since no racial or ethnic group exceeded this percentage by 10 percentage points or more, no disproportionately greater needs were identified within this income category.

**Table 17 – Disproportionately Greater Need- Severe Housing Problems
0%-30% of Area Median Income
(Extremely Low Income)**

Data Source: 2016-2020 CHAS

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,965	1,055	0
White	615	230	0
Black / African American	0	0	0
Asian	70	65	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	2,275	750	0

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

**Table 18 – Disproportionately Greater Need- Severe Housing Problems
30%-50% of Area Median Income
(Very Low Income)**

Data Source: 2016-2020 CHAS

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,355	1,465	0
White	130	345	0
Black / African American	0	0	0
Asian	0	35	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	1,215	1,085	0

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

**Table 19 – Disproportionately Greater Need- Severe Housing Problems
50%-80% of Area Median Income
(Low Income)**

Data Source: 2016-2020 CHAS

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	685	2,665	0
White	15	550	0
Black / African American	0	0	0
Asian	0	165	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	665	1,935	0

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

**Table 20 – Disproportionately Greater Need- Severe Housing Problems
80%-100% of Area Median Income
(Median Income)**

Data Source: 2016-2020 CHAS

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	205	1,295	0
White	0	340	0
Black / African American	0	0	0
Asian	0	25	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	205	910	0

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities 3. More than 1.5 persons per room 4. Cost Burden over 50%

DISCUSSION

According to 2016–2020 CHAS data, approximately 5,210 households in Watsonville experienced one or more housing problems, such as overcrowding, severe cost burden, or lacking complete kitchen or plumbing facilities. Among these households, 57% were extremely low-income, earning 0-30% of the Area Median Income (AMI)- the income group with the highest incidence of housing problems. By contrast, only 13% of households in higher low-income brackets experience similar issues.

The CHAS analysis also evaluates disproportionate housing need, defined as when a racial or ethnic group experiences housing problems at rates 10 percentage points higher than others within the same income category. Among extremely low-income households, Hispanic households were the most disproportionately impacted, followed by White and Asian households. This pattern persists across other income brackets. In the very low-income (30–50% AMI) and low-income (50–80% AMI) groups, Hispanic households again showed the highest rates of housing problems. Even among moderate-income households (80–100% AMI) with Hispanic households continuing to experience elevated levels of housing instability.

These findings underscore the urgent need for targeted strategies to reduce housing disparities and improve conditions for disproportionately affected populations, particularly Hispanic households, across all income levels. Solutions may include expanding affordable housing, increasing rental assistance programs, and enhancing culturally responsive outreach and support services.

NA-25 DISPROPORTIONATELY GREATER NEED: HOUSING COST BURDENS – 91.205 (B)(2)

INTRODUCTION:

This section evaluates the disproportionately greater need relating to the housing cost burden. A household is considered cost-burdened when it spends more than 30% of its gross income on housing costs, including utilities. Households are considered severely cost-burdened when these costs exceed 50% of income. For renters, housing costs include rent and utilities; for homeowners, they include mortgage payments, property taxes, insurance, association fees, and utilities.

According to HUD guidelines, a disproportionate need exists when a specific racial or ethnic group experiences housing problems at a rate 10 percentage points higher than the jurisdiction as a whole within the same category.

In the City of Watsonville, approximately 44% of households (or 6,280 households) experience a cost burden. Among these:

- 3,000 households (48%) spend between 30 and 50% of their income on housing.
- 3,280 households (52%) spend more than 50% of their income on housing.

While Hispanic households have the highest rate of cost burden at 46.5%, this figure does not exceed the 10-percentage point threshold required by HUD to qualify as a disproportionate need. Nonetheless, Hispanic households are overrepresented among those experiencing both moderate and severe cost burdens when compared to other racial and ethnic groups in Watsonville.

These findings underscore the need for continued investment in affordable housing solutions to address the cost burden faced by a significant portion of Watsonville residents, particularly within the Hispanic community.

Table 21 – Disproportionately Greater Need- Housing Cost Burden
Area Median Income

Data Source: 2016-2020 CHAS

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	8,015	3,000	3,280	25
White	1,920	525	720	0
Black / African American	40	0	0	0
Asian	430	85	70	0
American Indian, Alaska Native	0	0	0	0
Pacific Islander	0	0	0	0

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Hispanic	5,540	2,390	2,485	25

DISCUSSION:

See above.

NA-30 DISPROPORTIONATELY GREATER NEED: DISCUSSION – 91.205(B)(2)

ARE THERE ANY INCOME CATEGORIES IN WHICH A RACIAL OR ETHNIC GROUP HAS DISPROPORTIONATELY GREATER NEED THAN THE NEEDS OF THAT INCOME CATEGORY AS A WHOLE?

Based on the 2016–2020 CHAS data, Hispanic households in the City of Watsonville show a disproportionately greater need in specific income categories compared to other racial and ethnic groups within the same income ranges.

While the overall rate of housing cost burden for the jurisdiction is approximately 44%, HUD defines a disproportionate need as occurring when a racial or ethnic group experiences housing problems at least 10 percentage points higher than the rate for all households in the same income category.

This highlights the need for targeted housing policies and supportive services to address these inequities.

IF THEY HAVE NEEDS NOT IDENTIFIED ABOVE, WHAT ARE THOSE NEEDS?

In addition to cost burden, overcrowding, and substandard housing conditions identified above, low-income and disproportionately impacted households, particularly Hispanic households, in Watsonville face several unmet needs, including overcrowding and lack of space, affordable housing for larger families, and seniors, home rehabilitation and maintenance assistance, and access to affordable homeownership opportunities to name a few.

In addition, given the City's growth constraints and the age of the majority of the existing housing stock, maintaining or improving those units is essential in helping to provide adequate housing.

ARE ANY OF THOSE RACIAL OR ETHNIC GROUPS LOCATED IN SPECIFIC AREAS OR NEIGHBORHOODS IN YOUR COMMUNITY?

NA-35 PUBLIC HOUSING – 91.205(B)

INTRODUCTION

The Housing Authority of Santa Cruz County (HACSC) administers a variety of housing programs within the incorporated and unincorporated areas of Santa Cruz County, which includes the City of Watsonville. In addition to offering Housing Choice Vouchers, Project-Based Vouchers, and Moderate Rehabilitation Programs for the County. The Housing Authority was consulted on housing availability and needs, which were included in this Plan and provided guidance in determining the City's strategies and goals related to affordable housing.

Totals in Use

Table 22 – Public Housing by Program Type

Data Source: PIC (PIH Information Center)

Program Type									
Category	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	51	226	4,252	39	3,993	51	77	85
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-Year, and Nursing Home Transition									

Characteristics of Residents

Table 23 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Program Type								
Category	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project-based	Tenant-based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income	0	12,530	24,517	17,954	14,442	18,172	11,446	15,677
Average length of stay	0	6	10	7	3	7	0	5
Average Household size	0	1	3	2	2	2	1	3
# Homeless at admission	0	12	0	106	3	88	5	3
# of Elderly Program Participants (>62)	0	18	38	882	23	824	15	2
# of Disabled Families	0	14	39	1,160	5	1,048	21	14
# of Families requesting accessibility features	0	51	226	4,252	39	3,993	51	77
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Race of Residents

Table 24 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	50	214	4,028	38	3,786	45	73	79
Black/African American	0	1	5	118	1	109	5	1	2
Asian	0	0	6	57	0	53	0	1	3
American Indian/Alaska Native	0	0	1	45	0	41	1	2	1
Pacific Islander	0	0	0	4	0	4	0	0	0
Other	0	0	0	0	0	0	0	0	0
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Ethnicity of Residents

Table 25 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	18	167	2,177	8	2,107	7	32	21
Not Hispanic	0	33	59	2,075	31	1,886	44	45	64
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

SECTION 504 NEEDS ASSESSMENT: DESCRIBE THE NEEDS OF PUBLIC HOUSING TENANTS AND APPLICANTS ON THE WAITING LIST FOR ACCESSIBLE UNITS:

According to the data, there is a clear and pressing need for additional accessible units across all programs. Of the 4,252 reported families who requested accessibility features, approximately 26% (1,160) include at least one family member with a disability. The tenant-based voucher program serves the highest number of families with disabilities, accounting for 1,048 of those households.

MOST IMMEDIATE NEEDS OF RESIDENTS OF PUBLIC HOUSING AND HOUSING CHOICE VOUCHER HOLDERS

The data highlights several pressing needs among residents of Watsonville and the county. A substantial number of elderly program participants- 882 across voucher programs- along with 1,160 families that include a member with disability, underscores the demand for accessible units and specialized supportive services. In addition, the size of the waiting list reflects a broader need for increased affordable housing to meet the demand in both Watsonville and the County as a whole.

HOW DO THESE NEEDS COMPARE TO THE HOUSING NEEDS OF THE POPULATION AT LARGE

Affordability remains the most significant challenge for households in Watsonville, as reflected by the high number of households experiencing severe housing cost burdens. Among housing program participants, the average length of stay ranges from approximately 3 years in project-based housing to 10 years in formerly public housing, highlighting the long-term nature of affordability issues in the community. Additionally, the inclusion of 106 formerly homeless households within voucher programs underscores the crucial role these programs play in supporting vulnerable populations and addressing broader housing stability needs across the city.

DISCUSSION

The number of people on the HACSC's waiting list for housing in Watsonville is indicative of the need for more affordable housing. The demographic data for Watsonville reflects a diverse population participating in housing assistance programs. Hispanic households represent the majority of program participants, consisting of the city's broader demographics, followed by non-Hispanic households. A substantial number of families- 4,252- have requested accessibility features, yet only 1,160 families currently being served include a member with a disability. The gap highlights a continued need for accessible housing units and supportive services. Additionally, the incomes of assisted households are significantly lower than the Watsonville median household income of \$75,064, underscoring the importance of expanding economic empowerment opportunities and targeted support for low-income residents.

NA-40 HOMELESS NEEDS ASSESSMENT – 91.205(C)

INTRODUCTION:

This section provides homelessness data for the Santa Cruz County Continuum of Care (CoC), which includes the City of Watsonville. While jurisdiction-specific data is not available, Santa Cruz County communities take a regional approach to preventing and ending homelessness. This coordinated effort involves close collaboration between the County, local cities, and key community stakeholders to guide and implement aligned strategies.

The Housing for Health Partnership (H4HP) serves as the County's HUD-designated Continuum of Care (CoC). Data referenced here is drawn from the annual countywide Point-in-Time (PIT) Count, a one-day physical count of individuals experiencing homelessness across the region. The PIT Count meets HUD requirements and helps assess the extent, characteristics, and needs of the homeless population, enabling better planning and delivery of services.

The PIT Count includes three key components:

- A visual enumeration of unsheltered individuals and families, including those sleeping outdoors, in vehicles, tents, or public spaces.
- A count of individuals and families in temporary shelter settings, such as emergency shelters and transitional housing.
- A 395-person survey collecting detailed demographic and situational data from those in both sheltered and unsheltered conditions.

The most recent PIT Count was conducted on January 25, 2024, with participation from over 100 individuals, including people with lived experience of homelessness, community volunteers, city and county staff, and law enforcement. The count took place between 5:00 a.m. and 9:00 a.m. and covered the entire county, including Watsonville.

Homeless Needs Assessment

Table 26 – Homeless Needs Assessment- Population

Data Source: *2024 PIT- This information was collected from the Watsonville/Santa Cruz County CoC Point-in Time conducted on 1/25/2024

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	161	10	297	126	138	179
Persons in Households with Only Children	0	0	0	0	0	0
Persons in Households with Only Adults	204	1,475	2,072	393	341	257
Chronically Homeless Individuals	112	562	Unknown	Unknown	Unknown	Unknown
Chronically Homeless Families	36	0	Unknown	Unknown	Unknown	Unknown
Veterans	16	56	Unknown	Unknown	Unknown	Unknown
Unaccompanied Child	0	0	0	0	0	0
Persons with HIV	5	5	Unknown	Unknown	Unknown	unknown

IF DATA IS NOT AVAILABLE FOR THE CATEGORIES "NUMBER OF PERSONS BECOMING AND EXITING HOMELESSNESS EACH YEAR," AND "NUMBER OF DAYS THAT PERSONS EXPERIENCE HOMELESSNESS," DESCRIBE THESE CATEGORIES FOR EACH HOMELESS POPULATION TYPE (INCLUDING CHRONICALLY HOMELESS INDIVIDUALS AND FAMILIES, FAMILIES WITH CHILDREN, VETERANS AND THEIR FAMILIES, AND UNACCOMPANIED YOUTH)

Due to the regional approach taken to address homelessness in Santa Cruz County, most available data reflect countywide trends. However, where possible, data specific to the City of Watsonville is included. The 2024 Point-in-Time (PIT) Count and accompanying 395-person survey were used to enumerate HUD-defined special populations across the county, as detailed in the Homeless Needs Assessment chart. These populations include adults, families, youth, chronically homeless individuals, veterans, unaccompanied youth, and people living with HIV/AIDS.

This data was reported to HUD in the 2024 Continuum of Care (CoC) Homeless Population and Subpopulation Report. Key findings from the report highlight several notable trends:

- Chronic homelessness declined from 921 persons in 2022 to 710 in 2024.
- Veteran homelessness dropped significantly from 332 in 2022 to 72 in 2024.
- Family homelessness decreased from 263 people in families in 2023 to 171 in 2024.
- Unaccompanied youth and Transition Age Youth (TAY) experiencing homelessness declined from 334 in 2023 to 194 in 2024.

The methodology for calculating annual homelessness among adult and family households is as follows:

- The annual total equals the number of people experiencing homelessness on a given night plus those who became homeless during the year.
- The number of newly homeless people is based on those served in emergency shelters or transitional housing who had been homeless for 365 days or fewer.
- The number of people exiting homelessness each year includes those served in any program type who exited to any destination.
- Average duration of homelessness is measured by the cumulative days a person experiences homelessness within a year.

Due to data limitations, estimates for individuals experiencing chronic homelessness, veterans, or those living with HIV/AIDS were not available for all subcategories and are marked as "unknown" where applicable.

**Table 27 – Homeless Needs Assessment- Nature and Extent of Homelessness
Race and Ethnicity**

Data Source: 2024 PIT

Race	Sheltered	Unsheltered
White	155	710
Black/African American	9	86
Asian	0	48
American Indian or Alaska Native	6	34
Pacific Islander	2	9
Ethnicity		
Hispanic	189	550
Not Hispanic	176	935

ESTIMATE THE NUMBER AND TYPE OF FAMILIES IN NEED OF HOUSING ASSISTANCE FOR FAMILIES WITH CHILDREN AND THE FAMILIES OF VETERANS.

There has been a notable decline in family homelessness in Santa Cruz County. The number of families experiencing homelessness dropped from 76 families (263 individuals) in 2023 to 52 families (171 individuals) in 2024. Additionally, the percentage of sheltered families increased significantly—up to 94% in 2024, compared to 65% in 2023—indicating improved access to temporary housing solutions for families in crisis.

Veterans, a population particularly vulnerable to homelessness, often face heightened risk factors such as Post-Traumatic Stress Disorder (PTSD), traumatic brain injuries (TBI), military sexual trauma, and substance use disorders, all of which contribute to housing instability. Encouragingly, the number of veterans experiencing homelessness in the county has dropped from 332 in 2022 to 72 in 2024. However, the 2024 data reveals that 78% of homeless veterans remain unsheltered, while only 22% are sheltered, highlighting a continued need for targeted outreach, supportive services, and permanent housing solutions for this population.

DESCRIBE THE NATURE AND EXTENT OF HOMELESSNESS BY RACIAL AND ETHNIC GROUP

The 2024 Santa Cruz County Point-in-Time (PIT) Count shows that homelessness disproportionately affects certain racial and ethnic groups, with most individuals experiencing unsheltered homelessness. White individuals comprise the largest share (865 people), accounting for 82% of the unsheltered population. Hispanic/Latino individuals are the second largest group (739 people), with 74% unsheltered.

Although smaller in number, Black/African American (95 people) and Asian (48 people) individuals experience high rates of unsheltered homelessness, 95% and 100%, respectively, highlighting potential service gaps. American Indian or Alaska Native (40 people) and Pacific Islander (11 people) populations also show high levels of unsheltered homelessness.

These disparities point to a need for culturally responsive services and targeted interventions to address racial and ethnic inequities in access to shelter and housing resources.

DESCRIBE THE NATURE AND EXTENT OF UNSHELTERED AND SHELTERED HOMELESSNESS

The 2024 Point-in-Time (PIT) Count for Santa Cruz County indicates a concerning trend in Watsonville, where the number of individuals experiencing homelessness has increased significantly. The count recorded 673 homeless individuals in Watsonville, surpassing the 659 counted in the city of Santa Cruz, marking a notable shift in the regional distribution of homelessness.

Of the 673 homeless individuals in Watsonville, 90 were sheltered, while the remaining 583 were unsheltered. This means that approximately 87% of the homeless population in Watsonville was unsheltered, a stark contrast to the 275 sheltered individuals in Santa Cruz. This disparity highlights a significant gap in shelter availability and access in Watsonville.

The high rate of unsheltered homelessness in Watsonville underscores the urgent need for increased investment in housing and supportive services in the southern part of Santa Cruz County. Local officials are actively exploring solutions, including the development of a 34-unit interim housing project near Westview Presbyterian Church, aimed at providing immediate relief and supportive services to the homeless population.

This data reflects a broader regional trend where Watsonville is experiencing a disproportionate share of homelessness compared to other areas in Santa Cruz County. Addressing this issue requires targeted interventions and resources to meet the specific needs of the Watsonville community.

DISCUSSION

The 2024 Point-in-Time (PIT) Count for Santa Cruz County, which includes Watsonville, revealed a concerning trend. While overall Countywide homelessness remained relatively the same, Watsonville experienced a significant increase. The number of homeless individuals in Watsonville increased from 175 in 2022 to 322 in 2023, representing a 15% rise. This upward trend continued into 2024, with the homeless population in Watsonville increasing by 15% compared to the previous year, while other areas in Santa Cruz County saw declines.

This shift in the homeless population from Santa Cruz to Watsonville has raised concern among local officials. They attribute the increase in Watsonville to a combination of factors, including the displacement caused by the 2023 floods, which heavily impacted low-income populations in South County and North Monterey County, forcing many individuals out of their homes. Additionally, programs designed to assist people in maintaining their housing were harder for Hispanic populations to access, further exacerbating the issue.

In response to this growing crisis, Watsonville is collaborating with Monterey County to develop a 34-unit tiny home village at Westview Presbyterian Church. This project aims to provide temporary shelter and supportive services for individuals currently living along the Pajaro River, the largest homeless encampment in the area. The facility is expected to be operational by June 30, 2026, after which the units will be transferred to Santa Cruz County.

These developments highlight the urgent need for increased investment in housing and services in Watsonville to address the growing homeless population and provide sustainable solutions for those affected.

NA-45 NON-HOMELESS SPECIAL NEEDS ASSESSMENT - 91.205 (B,D)

INTRODUCTION

The special needs population in Watsonville includes individuals who are not currently homeless but require supportive housing due to various challenges. This group encompasses the elderly and frail elderly; persons with mental, physical, or developmental disabilities; individuals struggling with alcohol or drug addiction; people living with HIV/AIDS and their families; and victims of domestic violence, dating violence, sexual assault, and stalking. Given the high housing costs in Watsonville and the surrounding region, securing affordable housing for these populations remains a significant challenge.

Watsonville is an active participant in the Housing for Health Partnership (H4HP), which serves as the federally designated Continuum of Care (CoC), aimed at addressing homelessness across Santa Cruz County. The H4HP's vision is that all county residents will have stable housing and access to appropriate services, enabling them to live with dignity and reach their full potential. Its mission is to create and maintain a coordinated system of housing and services focused on preventing and ending homelessness.

The CoC strategy in Santa Cruz County is designed to organize and deliver targeted housing and services that meet the specific needs of homeless individuals as they transition from the streets to stable housing and work toward self-sufficiency. This approach addresses a range of homeless subgroups, including families, chronically homeless individuals, those with serious mental illness, substance abusers, veterans, persons with HIV/AIDS, victims of domestic violence, and unaccompanied youth.

Over time, local agencies, nonprofits, and faith-based organizations have developed a comprehensive network of resources to address homelessness and related issues. These include outreach programs, referral services, basic needs assistance, mental health and substance abuse treatment, job training and placement, access to mainstream benefits, family and childcare support, and educational programs. Efforts to reduce homelessness have also focused on improving the crisis response system through coordinated entry, which streamlines access to housing and services; increasing prevention and diversion resources to reduce the number of households becoming homeless; and restoring interim housing to its original role as emergency shelter.

Certain groups face greater barriers to housing and require more specialized services, often due to their unique circumstances and higher likelihood of being low-income. These include:

- Elderly people, including the frail elderly
- People with disabilities
- Large households
- Female-headed households
- Homeless individuals
- Victims of domestic violence

- Farmworkers

While some service providers have offices in Watsonville, the majority are located in the City of Santa Cruz or unincorporated areas of the County. To assist residents in navigating available resources, the regional 2-1-1 telephone and online referral system offers a comprehensive directory of countywide services.

DESCRIBE THE CHARACTERISTICS OF SPECIAL NEEDS POPULATIONS IN YOUR COMMUNITY

*See NA-45 Non-Homeless Special Needs Assessment information above.

WHAT ARE THE HOUSING AND SUPPORTIVE SERVICE NEEDS OF THESE POPULATIONS AND HOW ARE THESE NEEDS DETERMINED?

Housing and supportive service needs for each special needs population have been detailed in the previous section. Local needs are identified through multiple sources, including the Point In Time Counts (PIT), Santa Cruz County Mental Health Teams, faith-based organizations, soup kitchens and food pantries, local shelters, and various community agencies serving Watsonville residents. These coordinated efforts provide a comprehensive understanding of the housing and support gaps faced by vulnerable populations in the area.

DISCUSS THE SIZE AND CHARACTERISTICS OF THE POPULATION WITH HIV/AIDS AND THEIR FAMILIES WITHIN THE ELIGIBLE METROPOLITAN STATISTICAL AREA

Individuals living with HIV or AIDS often require ongoing medical care and supportive services to manage their health and maintain stable housing. According to the most recent Santa Cruz County Public Health Profile, approximately 510 cumulative cases of AIDS have been reported countywide. While Watsonville-specific data is not separately reported, the city is part of the countywide service area and contributes to the overall need for housing and care.

National estimates indicate that at least 25 percent of individuals living with disabling AIDS will require supportive housing during their illness. This underscores the importance of ensuring access to affordable, stable housing options with integrated medical and case management services, particularly in underserved areas such as South County and Watsonville.

IF THE PJ WILL ESTABLISH A PREFERENCE FOR A HOME TBRA ACTIVITY FOR PERSONS WITH A SPECIFIC CATEGORY OF DISABILITIES (E.G., PERSONS WITH HIV/AIDS OR CHRONIC MENTAL ILLNESS), DESCRIBE THEIR UNMET NEED FOR HOUSING AND SERVICES NEEDED TO NARROW THE GAP IN BENEFITS AND SERVICES RECEIVED BY SUCH PERSONS. (SEE 24 CFR 92.209(C)(2) (II))

Not applicable.

DISCUSSION:

Residents in the City of Watsonville with special needs include, but are not limited to, seniors (including the frail elderly), individuals with serious mental illness or developmental disabilities, persons experiencing substance use disorders, individuals living with HIV/AIDS, and survivors of domestic violence. These populations often face multiple challenges, including limited incomes, high housing costs, and barriers to accessing essential services. As a result, many struggle to maintain a basic quality of life—lacking consistent access to safe housing, nutritious food, appropriate clothing, and necessary medical care.

To support these vulnerable groups, the City of Watsonville allocates funding through social service and community service grant programs. These efforts are complemented by additional public and private resources aimed at addressing the housing and supportive service needs of special needs populations across the city.

NA-50 NON-HOUSING COMMUNITY DEVELOPMENT NEEDS – 91.215 (F)

DESCRIBE THE JURISDICTION’S NEED FOR PUBLIC FACILITIES

The City of Watsonville requires several new or upgraded public facilities. These needs include:

- Public Parks - Ramsay Park Renaissance, Ramsay Park kitchen and rental hall, public restroom upgrades at the Youth Center and Pinto Lake, resurfacing of basketball and tennis courts, and a new playground at Kearney Park.
- An additional fire station to reduce response time.
- Improvements to aging water and sewer lines
- City Plaza revitalization

HOW WERE THESE NEEDS DETERMINED?

Over the past several years, community needs have been identified and discussed through various public forums, including community meetings, commission meetings, and City Council sessions. The list above reflects both the priorities expressed by community members and those emerging from new mandates issued by the State of California and federal agencies. In addition, many of these needs are also considered within the City’s Capital Improvement Plan, which is reviewed annually by City staff and the City Council to ensure alignment with strategic goals and available resources.

DESCRIBE THE JURISDICTION’S NEED FOR PUBLIC IMPROVEMENTS

- Upgrades to the water treatment infrastructure
- Infrastructure and flood control improvements
- Improvements to Downtown to improve walkability, transit access, and economics.
- Improvements to parking management systems.
- Various roadway/transportation improvements to improve safety, walkability, and access.
- Improvements to stormwater systems to reduce pollution as required by the Clean Water Act.
- Enforcement of standards in commercial and residential structures, as well as surrounding areas.
- Improvements to aging water and sewer lines
- Kearney Park & Peace Park walkway improvements
- Ramsay Park HVAC & electrical upgrades
- Youth Center ADA improvements

HOW WERE THESE NEEDS DETERMINED?

Over the past several years, community needs have been identified and discussed through various public forums, including community meetings, commission meetings, and City Council sessions. The list above reflects both the priorities expressed by community members and those emerging from new mandates issued by the State of California and federal agencies. Additionally, many of these needs are also addressed within the City’s Capital Improvement Plan, which is reviewed annually by City staff and the City Council to ensure alignment with strategic goals and available resources.

DESCRIBE THE JURISDICTION’S NEED FOR PUBLIC SERVICES

The City of Watsonville currently faces limitations due to fiscal constraints, which impact the ability to enhance or expand several vital services. While not exhaustive, the list below outlines several priority areas where community needs are more apparent:

- Transportation Services
- Youth and childcare services
- Homeless services
- Neighborhood revitalization (e.g., trash removal, graffiti abatement, vacant lot improvements)
- Health and mental health services
- Services for abused, neglected, or abandoned children
- Sports and recreation programs
- Environmental education
- Nature-based education
- Improved coordination of workforce training opportunities

HOW WERE THESE NEEDS DETERMINED?

Over the past several years, community needs have been identified through various public forums, including community meetings, commission meetings, City Council sessions, and most recently, the 2025 Consolidated Plan Community Needs Assessment. The priorities listed above reflect both the input gathered from community members and requirements set forth by the State of California and federal agencies. Many of these identified needs are also addressed in the City’s Capital Improvement Plan, which is reviewed annually by City staff and the City Council to ensure continued alignment with community priorities and available funding.

HOUSING MARKET ANALYSIS

MA-05 OVERVIEW

HOUSING MARKET ANALYSIS OVERVIEW

The following Market Analysis outlines the socioeconomic conditions and policy context in which the City of Watsonville will implement its Community Development Block Grant (CDBG) program during the upcoming planning period. In accordance with HUD regulations, this analysis includes:

- Number of Housing Units
- Cost and Condition of Housing
- Public and Assisted Housing
- Homeless Facilities and Services
- Special Needs Facilities and Services
- Barriers to Affordable Housing
- Non-Housing Community Development Assets
- Broadband Needs
- Hazard Mitigation

In partnership with the Needs Assessment, the Housing Market Analysis provides the foundation for the goals and strategies defined in the Strategic Plan, and the programs and projects to be administered over this planning period. Many tables in this section are populated with default data from HUD, including 2016-2020 ACS and CHAS data sets. As necessary, additional data is supplemented from more recent ACS data sets.

MA-10 NUMBER OF HOUSING UNITS – 91.210(A)&(B)(2)

INTRODUCTION

According to the 2016–2020 American Community Survey (ACS), the City of Watsonville contains a total of 14,885 housing units. Of these, 7,910 units (53%) are detached single-family homes, and 1,500 units (10%) are attached single-family homes. Smaller multi-family buildings with 2 to 4 units account for 1,435 units (10%), while buildings with 5 to 19 units make up 1,780 units (12%). Larger apartment complexes with 20 or more units represent approximately 9% of the housing stock. The remaining 6% consists of mobile homes, boats, recreational vehicles (RVs), vans, and other non-traditional housing types.

Approximately 39.6% of these units are owner-occupied, while the majority, at 60.4%, are renter-occupied. Due to geographic limitations and existing land use policies, future residential growth is expected to occur primarily through infill development within established neighborhoods.

Any new for-sale housing developments will be required to comply with the City’s Inclusionary Housing Program, which mandates that a portion of homes be made available to households earning low to above-moderate incomes, thresholds that are generally lower than state and federal income limits.

All residential properties by number of units

Table 28 – Residential Properties- by Unit Number- Property Type

Data Source: 2016-2020 ACS

Property Type	Number	%
1-unit detached structure	7,910	53%
1-unit, attached structure	1,500	10%
2-4 units	1,435	10%
5-19 units	1,780	12%
20 or more units	1,350	9%
Mobile Home, boat, RV, van, etc	910	6%
Total	14,885	100%

Unit Size by Tenure

Table 29 – Residential Properties- by Unit Size by Tenure

Data Source: 2016-2020 ACS not available

	Owners		Renters	
	Number	%	Number	%
No bedroom	93	1.44%	655	8.31%
1 bedroom	44	0.68%	1,493	18.95%
2 bedrooms	1,846	28.68%	3,086	39.16%
3 or more bedrooms	4,454	69.19%	2,646	33.58%
Total	6,437	100%	7,880	100%

DESCRIBE THE NUMBER AND TARGETING (INCOME LEVEL/TYPE OF FAMILY SERVED) OF UNITS ASSISTED WITH FEDERAL, STATE, AND LOCAL PROGRAMS

In addition to the public housing complexes located in the City of Watsonville, there are 14 other affordable apartment complexes with a total of 865 units. Of these units, 842 are available to renters with household incomes at or below 80% of the area median income (AMI) limit, and 23 are available to renters with moderate incomes (120% of AMI).

Over 200 properties, owned and occupied or rented to households at or below 80% of the AMI, have been assisted through the City's Housing Rehabilitation Program over the last 10 years. These properties consist of a mix of single-family detached and multi-family buildings (containing up to no more than four units). Currently, all of the rental units assisted are restricted to households with incomes at or below 80% of the Area Median Income (AMI). One of the properties, which contains 25 mobile home sites, is restricted to owner-occupants with incomes at or below 80% of the Area Median Income (AMI) (low-income).

All of the apartment complexes are available for occupancy by a variety of households. However, one of the multi-family buildings (4 units) assisted through the City's Housing Rehabilitation Program is reserved for elderly and disabled persons with incomes at or below 50% of the area median income limit.

The City also operates an Inclusionary Housing Program, which provides housing for purchase by households with very low to above moderate incomes, and a First-Time Homebuyer Program (FTHB) that offers low-interest loans to low-income individuals (earning less than 80% of the Area Median Income). To date, the City has provided over 500 FTHB loans and has 280 units available for purchase through its Inclusionary Housing Program, as follows: 10 percent of the units for Low, Median, and Moderate Income, and 10 percent of the units for Above Moderate Income. The income limits used by the City's Inclusionary Housing Program are calculated at 70% of the AMI and, therefore, lower than the income limits used for Federal and State Programs.

The City was last awarded a \$1,546,000 grant in 2011 by the State of California's Housing and Community Development Department for its affordable housing Program. This Program provides deferred “silent second” mortgage loans to low-income homebuyers, making it more affordable to purchase a home within the City limits. Currently, the City has no active grants but has over \$1,850,000 in program income that is available for future HOME-eligible activities. The City will seek additional grant funding as resources permit.

The City was awarded a \$600,000 grant by the California Department of Housing and Community Development for its Owner-Occupied Housing Rehabilitation Program, and another \$400,000 grant was awarded in 2010. An additional \$600,000 grant was awarded in 2011 for the City’s First Time Homebuyer Program. These Programs provide deferred mortgage loans to low-income homebuyers to purchase a home or low-income homeowners to repair the home they own and occupy.

The City’s Inclusionary Housing Ordinance, which was adopted in 1991 and updated in 2001, requires developers to sell or rent a percentage of new housing units to moderate-income households at an affordable price or pay an in-lieu fee. Only rental developments that receive some form of subsidy are subject to the Ordinance. These funds are used to help support affordable housing through the development, acquisition, rehabilitation, and preservation of new and existing units.

These programs were also utilized to achieve these accomplishments. Some of these funding sources are no longer available or have significantly decreased in availability. As a result, our goals may be lower than in the past. CDBG also provided some assistance to the rehabilitation activities noted above.

PROVIDE AN ASSESSMENT OF UNITS EXPECTED TO BE LOST FROM THE AFFORDABLE HOUSING INVENTORY FOR ANY REASON, SUCH AS EXPIRATION OF SECTION 8 CONTRACTS

Only three units assisted through the City’s Housing Rehabilitation Program are expected to be lost during this consolidated plan period due to the expiration of their affordability restrictions.

DOES THE AVAILABILITY OF HOUSING UNITS MEET THE NEEDS OF THE POPULATION?

As of the 2020 U.S. Census, Watsonville's population stood at 52,590, with 51,199 residents recorded in the 2010 Census. Between 2010 and 2020, the city experienced a 0.8% population growth rate, indicating a steady increase in its resident population.

The city's housing stock comprises 14,546 housing units, with 41% owner-occupied and 55.8% renter-occupied. The vacancy rate is approximately 3.2%, which is relatively low and suggests a high demand for available units.

Between 2000 and 2011, Watsonville's population increased by 10%, and the number of households grew by 18%. This disparity between population and household growth indicates a need for additional housing units to accommodate the growing population.

The combination of low vacancies and increasing population underscores the urgent need for affordable housing in Watsonville, particularly for low-income families, seniors, and individuals with disabilities. Addressing this need is crucial to ensure that all residents have access to safe and stable housing.

DESCRIBE THE NEED FOR SPECIFIC TYPES OF HOUSING

In Watsonville, affordability remains the most critical housing issue, as a significant portion of households experience high housing cost burdens, paying more than 30–50% of their income toward housing. The city faces a severe housing need across multiple population groups, including seniors, people with disabilities, single-parent households, and individuals experiencing homelessness.

While there is demand for affordable housing across all income levels, the greatest need is for housing affordable to extremely low-income households, particularly low-income families. These households often face the most significant difficulty in securing safe, stable, and affordable housing in the private market. They are at a higher risk of experiencing housing instability or displacement.

The city also needs a range of housing types to meet diverse household needs, including:

- Supportive housing for individuals with disabilities and those exiting homelessness
- Accessible units for seniors and people with mobility challenges
- Larger units for families with children
- Transitional and permanent housing for those experiencing or at risk of homelessness

To address these needs, Watsonville must prioritize the development and preservation of deeply affordable units and continue to pursue programs and partnerships that expand housing opportunities for its most vulnerable residents.

DISCUSSION

An important goal of the City of Watsonville is to increase the supply of housing and preserve existing housing, with a strong emphasis on affordable housing to meet both current and future community needs. To support this goal, the City administers a range of federal, state, and local programs that offer both financial and non-financial assistance.

These programs serve a variety of stakeholders, including individuals and families, developers, social service agencies, public housing authorities, and landlords. Assistance may include development incentives, rehabilitation loans or grants, affordability covenants, and inclusionary housing requirements, all aimed at expanding and maintaining housing that is affordable to low- to above-moderate-income households.

Through these efforts, Watsonville is working to ensure a diverse, stable housing stock that supports residents across income levels and household types.

MA-15 HOUSING MARKET ANALYSIS: COST OF HOUSING - 91.210(A)

INTRODUCTION

Over the past decade, both home values and rental prices have increased significantly. Between 2016 and 2020, the median home value increased by 39%, rising from \$361,000 to \$500,300. During the same period, the median contract rent increased by 18%, from \$1,161 to 1,367. This disparity in growth rates highlights that homeownership has become increasingly less affordable compared to renting, with the cost of purchasing a home now more than double the median annual rent.

This analysis provides an overview of the current housing market in Watsonville, highlighting trends in home values, rental rates, and housing affordability across various income levels. It examines how rising housing costs are impacting residents, particularly low- and moderate-income households, and what these trends suggest for the future availability of housing in the city.

As affordability challenges intensify, this analysis identifies critical gaps in the local housing landscape. It explores strategies that the City can implement to ensure all residents, especially those with the greatest needs, have access to safe and affordable housing. By assessing current conditions and anticipating future demands, the City of Watsonville can develop targeted solutions to support a more equitable and resilient housing market.

Cost of Housing

Table 30 – Cost of Housing

Data Source: 2000 Census (Base Year), 2016-2020 ACS (Most Recent Year)

	Base Year: 2016	Most Recent Year: 2020	% Change
Median Home Value	361,000	500,300	39%
Median Contract Rent	1,161	1,367	18%

Rent Paid

Table 31 – Rent Paid

Data Source: 2016-2020 ACS

Rent Paid	Number	%
Less than \$500	944	12%
\$500-999	1,245	16%
\$1,000-1,499	2,491	32%
\$1,500-1,999	2,370	30%
\$2,000 or more	830	11%
Total	8,584	100.0%

Housing Affordability

Table 32 – Housing Affordability

Data Source: 2016-2020 ACS

Number of Units affordable to Households earning	Renter	Owner
30% HAMFI	800	No Data
50% HAMFI	2,615	285
80% HAMFI	6,500	870
100% HAMFI	No Data	2,154
Total	9,920	3,309

Monthly Rent

Table 33 – Monthly Rent

Data Source: 2020 HUD FMR and HOME rents

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	1,640	1,910	2,520	3,340	3,750
High HOME Rent	1,804	2,101	2,772	3,674	4,125
Low HOME Rent	1,476	1,719	2,268	3,006	3,375

IS THERE SUFFICIENT HOUSING FOR HOUSEHOLDS AT ALL INCOME LEVELS?

Watsonville continues to experience a shortage of affordable housing, especially for households with the lowest incomes. According to 2016–2020 American Community Survey (ACS) data, there are only 800 rental units affordable to households earning 30% of the Area Median Family Income (AMFI)—a level considered extremely low income.

While affordability improves at higher income tiers, the gap between supply and need remains. There are 2,615 rental units and only 285 ownership units affordable to households earning 50% of the Area Median Family Income (HAMFI), and 6,500 rental units and 870 ownership units affordable to those earning 80% of the HAMFI. Households earning up to 100% of the Area Median Family Income (HAMFI) have access to approximately 2,154 affordable ownership units, although rental unit data at this level is not specified.

In total, Watsonville has 9,920 rental units and 3,309 owner-occupied units considered affordable to households earning up to 100% of Area Median Family Income (AMFI). However, the supply of affordable housing, particularly for extremely low-income households, falls far short of demand, leaving many residents cost-burdened or without stable housing options.

HOW IS AFFORDABILITY OF HOUSING LIKELY TO CHANGE CONSIDERING CHANGES TO HOME VALUES AND/OR RENTS?

Following the 2007–2008 market downturn, many homeowners in Watsonville sold their homes at a loss or lost them to foreclosure, leading to a substantial increase in renter households as former owners transitioned to renting. The downturn led to a significant decline in home values, temporarily improving affordability for buyers. However, many prospective homeowners were outbid by investors, which limited the availability of owner-occupied housing.

The aftereffects of the 2008 crisis continued to influence the market for years, contributing to a constrained supply of ownership units. This limited supply, combined with growing demand, has since driven home values upward. Between 2016 and 2020, the median home value increased by 39%, reaching approximately \$500,300, while median contract rents rose by 18%. These increases highlight that housing costs continue to escalate, making both buying and renting less affordable for many residents.

As demand outpaces supply, housing affordability is expected to worsen, particularly impacting low- and moderate-income households. The rising costs contribute to increased housing cost burdens, and without targeted interventions, affordability challenges will remain a significant concern for the Watsonville community.

HOW DO HOME RENTS / FAIR MARKET RENT COMPARE TO AREA MEDIAN RENT? HOW MIGHT THIS IMPACT YOUR STRATEGY TO PRODUCE OR PRESERVE AFFORDABLE HOUSING?

The 2020 HUD data for Watsonville shows that Fair Market Rents (FMRs) range from \$1,640 for efficiency units up to \$3,750 for 4-bedroom units. These FMRs represent the maximum rent amounts HUD considers reasonable for subsidized housing programs and reflect current market conditions.

In comparison, High HOME rents, which set the maximum allowable rents for HOME-funded housing targeting moderate-income households, are slightly higher than FMRs, ranging from \$1,804 to \$4,125, depending on the unit size. Meanwhile, Low HOME rents, which apply to households with very low incomes, are lower, ranging from \$1,476 to \$3,375.

This information indicates that market rents in Watsonville are generally close to or just below HUD's Fair Market Rent (FMR) levels, meaning rental prices are relatively high compared to what low- and moderate-income households can afford. The higher rents for larger units can impose a significant financial strain on these families.

Overall, these rent figures underscore the critical need for a multifaceted approach that encompasses the development of new affordable housing, preservation of existing affordable units, and rental assistance programs to address Watsonville's housing affordability challenges effectively.

DISCUSSION

See above.

MA-20 HOUSING MARKET ANALYSIS: CONDITION OF HOUSING – 91.210(A)

INTRODUCTION

Watsonville has a substantial portion of its housing stock comprised of older homes, with 55% of households, 38% of which are owner-occupied and 47% renter-occupied, living in units built more than 35 years ago. Generally, homes over 30 years old begin to show signs of wear and deterioration and may require rehabilitation if not adequately maintained. Additionally, many of these older units, particularly those built before 1980, may contain lead-based paint, which can pose health risks to residents, especially children under the age of six, if not adequately addressed.

DESCRIBE THE JURISDICTION'S DEFINITION OF "STANDARD CONDITION" AND "SUBSTANDARD CONDITION BUT SUITABLE FOR REHABILITATION"

Substandard Housing, as defined in the City's current Housing Element, refers to units that fail to meet the minimum standards outlined in the State Housing Code, resulting in inadequate shelter that threatens the health, safety, or well-being of occupants.

Units classified as substandard but suitable for rehabilitation are those that are structurally sound, with repair costs deemed economically justified because they do not exceed the property's value after rehabilitation.

Substandard units considered suitable for reconstruction—also a form of rehabilitation—are structurally unsound, and the cost to repair them is not feasible, as it would surpass both the expense of building a new unit and the property's post-rehabilitation value.

Condition of Units

Table 34 – Condition of Units

Data Source: 2016-2020 ACS

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	2,306	36%	4,234	53%
With two selected Conditions	32	1%	1,230	16%
With three selected Conditions	0	0%	28	1%
With four selected Conditions	0	0%	0	0%
No selected Conditions	4,099	63%	2,388	30%
Total	6,437	100%	7,880	100%

Year Unit Built

Table 35 – Year Unit Built

Data Source: 2016-2020 CHAS

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	1,312	20%	1,147	15%
1980-1999	1,502	23%	2,466	31%
1950-1979	2,667	41%	2,670	34%
Before 1950	956	15%	1,597	20%
Total	6,437	100%	7,880	100%

Risk of Lead-Based Paint Hazard

Table 36 – Risk of Lead-Based Paint

Data Source: 2016-2020 ACS (Total Units) 2016-2020 CHAS (Units with Children present)

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	3,623	56%	4,267	54%
Housing units built before 1980 with children present				

Vacant Units

Table 37 – Vacant Units

Data Source: 2016-2020 ACS

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	0	0	0
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

NEED FOR OWNER AND RENTAL REHABILITATION BASED ON THE JURISDICTION'S HOUSING

Watsonville has a large inventory of older housing, with 7,890 units, or 55% of households, 38% owner-occupied and 47% renter-occupied—built more than 35 years ago. Homes of this age typically begin to show signs of physical deterioration and, without proper upkeep, may require substantial rehabilitation to remain safe and habitable.

At present, data on the number of vacant units suitable or unsuitable for rehabilitation is not available. Assessing the condition of these units would require on-site inspections, which are generally only performed in response to a rehabilitation application or tenant complaint.

Given the high cost of homeownership in Watsonville, many homeowners face financial constraints that make it difficult for them to maintain their homes properly. This is reflected in the significant number of household owners experiencing housing problems such as cost burden or inadequate housing conditions. Similarly, many rental units—particularly those owned by small landlords—may also suffer from deferred maintenance due to low rental income and limited reinvestment capacity, as evidenced by the high percentage of renters facing one or more housing issues.

In this context, a well-supported housing rehabilitation program is essential. Such a program can provide financial assistance and technical support to both homeowners and landlords to repair and improve aging housing units. By preserving the existing housing stock, particularly units affordable to low- and moderate-income households, rehabilitation efforts help prevent displacement, improve living conditions, and extend the lifespan of valuable community assets.

ESTIMATED NUMBER OF HOUSING UNITS OCCUPIED BY LOW OR MODERATE-INCOME FAMILIES WITH LBP HAZARDS 91.205(E), 91.405

Lead-based paint (LBP) is presumed to be present in any housing unit built before 1978 unless testing confirms otherwise. Under Title X of federal regulations, a lead-based paint hazard is defined as any condition that causes exposure to lead through contaminated dust, bare lead-contaminated soil, or deteriorated lead-based paint. Even intact lead-based paint can be considered hazardous if it is found on accessible, friction, or impact surfaces that pose a risk to human health. However, intact lead-based paint on most walls and ceilings is generally not classified as a hazard, though it should be regularly monitored and maintained to prevent deterioration.

Most current efforts to address lead risks in housing focus on controlling hazards as defined by Title X. One notable exception is in public and Indian housing, where federal law requires the complete abatement of all lead-based paint when the units are modernized, regardless of their condition.

In Watsonville, approximately 55% of households reside in units built before 1979, indicating that a significant portion of the housing stock may contain lead-based paint. However, without specific inspections or testing, it is difficult to determine how many of these units present a lead hazard.

DISCUSSION

Like any physical asset, housing naturally deteriorates over time. Without proper and regular maintenance, this deterioration can discourage investment, lower property values, and negatively affect residents' quality of life.

Maintaining and enhancing housing quality is a key priority for the City of Watsonville. To support this goal, the City operates both a Housing Rehabilitation Program and an active Code Enforcement Program.

The Housing Rehabilitation Program assists homeowners who reside in their homes and have incomes at or below 80% of the Area Median Income (AMI), as well as landlords who rent to households earning less than 80% of the AMI. Rental units improved through the program are subject to affordability restrictions lasting between 5 and 20 years, ensuring occupancy by income-eligible households at rents set by the City.

Additionally, all units rehabilitated through the program undergo testing for lead-based paint (LBP), and any identified hazards are promptly abated to ensure the safety of residents.

MA-25 PUBLIC AND ASSISTED HOUSING – 91.210(B)

INTRODUCTION

The Housing Authority of Santa Cruz County (HACSC) manages eight public housing complexes in Watsonville, in addition to Housing Choice Voucher programs (formerly known as Section 8) and Mortgage Credit Certificate programs. HACSC follows its established policies and procedures for inspecting and maintaining both the units it owns and those occupied by voucher recipients.

Total Number of Units

Table 38 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

	Certificate	Mod-Rehab	Public Housing	Program Type					
				Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
# of units vouchers available	0	51	234	3,986	42	3,944	103	1,067	885
# of accessible units	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-Year, and Nursing Home Transition									

DESCRIBE THE NUMBER AND PHYSICAL CONDITION OF PUBLIC HOUSING UNITS IN THE JURISDICTION, INCLUDING THOSE THAT ARE PARTICIPATING IN AN APPROVED PUBLIC HOUSING AGENCY PLAN:

The City of Watsonville is home to eight public housing developments, totaling 135 units, including nine that are wheelchair accessible. All units are reported to be in good condition, with the U.S. Department of Housing and Urban Development (HUD) assigning an overall inspection score of 91%. HUD evaluates the public housing portfolio as a single project, providing a program-wide rating rather than separate scores for each development.

Public Housing Condition

Table 39 – Public Housing Condition

Public Housing Development	Average Inspection Score
100-146 Seneca Court	N/A
225-239 Crestview Drive	N/A
308 Clifford Avenue	N/A
310-314 Clifford Avenue	N/A
320-326 Clifford Ave., and 179-195 Montebello Drive	N/A
50 Arista Court	N/A
55 Arista Lane	N/A

DESCRIBE THE RESTORATION AND REVITALIZATION NEEDS OF PUBLIC HOUSING UNITS IN THE JURISDICTION

Units are rehabilitated as needed or upon tenant turnover and are considered to be in good condition.

DESCRIBE THE PUBLIC HOUSING AGENCY'S STRATEGY FOR IMPROVING THE LIVING ENVIRONMENT OF LOW- AND MODERATE-INCOME FAMILIES RESIDING IN PUBLIC HOUSING:

Interior and exterior improvements are funded through the Agency's capital funds. In recent years, energy efficiency upgrades have been a key focus, including the replacement of single-pane windows with double-pane alternatives and the installation of low-flow toilets. Additionally, damaged siding and trim have been replaced on all buildings, and new landscaping, with updated irrigation systems, has been installed at many of the complexes.

Units are fully rehabilitated upon turnover. These upgrades typically include new flooring, energy-efficient appliances, lighting, and plumbing fixtures, ensuring units remain safe, modern, and environmentally sustainable.

DISCUSSION

The Housing Authority of Santa Cruz County (HACSC) owns and manages public housing units in Watsonville, following its policies and procedures for conducting annual inspections and routine maintenance. The City is not aware of any current issues at these public housing developments, which are also subject to regular oversight and monitoring by the U.S. Department of Housing and Urban Development (HUD).

MA-30 HOMELESS FACILITIES AND SERVICES – 91.210(C)

INTRODUCTION

Organizations throughout Santa Cruz County take a regional, collaborative approach to preventing and ending homelessness by offering a range of housing facilities and supportive services. This coordinated effort involves close partnerships among the County, local cities, and key community sectors. For years, members of the regional Continuum of Care (CoC) have worked diligently to expand and enhance both interim and permanent housing options, as well as a wide array of supportive service programs designed to meet the complex needs of individuals experiencing homelessness.

Housing resources available to homeless individuals include emergency shelters, transitional housing, safe havens, utility assistance, and permanent supportive housing. In addition, a comprehensive network of support services is offered, including outreach and engagement, housing navigation, healthcare, job training and education, substance use treatment, legal aid, veteran services, childcare, domestic violence support, mental health care, and food assistance.

Facilities and Housing Targeted to Homeless Households

Table 40 – Facilities and Housing Targeted to Homeless Households

Data Source: HUD's 2024 Continuum of Care Homeless Assistance Programs- Housing Inventory Count (HIC) Watsonville/Santa Cruz City & County CoC

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year-Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	139	0	80	127	0
Households with Only Adults	199	0	12	523	0
Chronically Homeless Households	0	0	0	624	0
Veterans	14	0	0	301	0
Unaccompanied Youth	0	0	12	0	0

DESCRIBE MAINSTREAM SERVICES, SUCH AS HEALTH, MENTAL HEALTH, AND EMPLOYMENT SERVICES TO THE EXTENT THOSE SERVICES ARE USED TO COMPLEMENT SERVICES TARGETED TO HOMELESS PERSONS

Mainstream services, such as healthcare, mental health support, and employment assistance, play a critical role in complementing targeted homelessness services in Santa Cruz County. These services are part of an integrated system designed to provide a comprehensive and coordinated response to homelessness.

The Housing for Health Partnership (H4HP)—Santa Cruz County’s federally designated Continuum of Care—works closely with local health care providers to ensure access to a full range of medical services for individuals experiencing homelessness. These include primary care, preventive care, and treatment for chronic conditions. Access to quality health care is vital to improving the overall well-being of individuals and preventing or mitigating health issues that may contribute to housing instability.

Mental health services are also a key component of this strategy. H4HP collaborates with licensed mental health professionals to provide counseling, therapy, and psychiatric services. The Sí Se Puede Behavioral Health Center, operated by Encompass Community Services, is a local facility expanding its capacity to offer culturally responsive mental health and substance use treatment services, aiming to serve over 1,300 residents annually, including those at risk of or experiencing homelessness in Watsonville.

Employment services further support individuals on the path to stability by promoting financial independence. H4HP partners with workforce development agencies to provide job training, employment placement, and job retention services, helping individuals develop the skills and confidence necessary to secure and sustain employment.

By integrating these essential mainstream services with housing-focused interventions, H4HP ensures that individuals experiencing homelessness receive comprehensive support that addresses both immediate and long-term needs. This coordinated approach is central to the county’s strategy for preventing and ending homelessness.

LIST AND DESCRIBE SERVICES AND FACILITIES THAT MEET THE NEEDS OF HOMELESS PERSONS, PARTICULARLY CHRONICALLY HOMELESS INDIVIDUALS AND FAMILIES, FAMILIES WITH CHILDREN, VETERANS AND THEIR FAMILIES, AND UNACCOMPANIED YOUTH. IF THE SERVICES AND FACILITIES ARE LISTED ON SCREEN SP-40 INSTITUTIONAL DELIVERY STRUCTURE OR SCREEN MA-35 SPECIAL NEEDS FACILITIES AND SERVICES, DESCRIBE HOW THESE FACILITIES AND SERVICES SPECIFICALLY ADDRESS THE NEEDS OF THESE POPULATIONS

The Santa Cruz County Continuum of Care (CoC) has significantly expanded its inventory of housing options for individuals experiencing homelessness, increasing from 1,706 year-round beds in 2020 to 2,656 in 2024. This growth reflects a regional strategy to address homelessness, with data from the 2024 Housing Inventory Chart (HIC) encompassing the entire county. Specific information for Watsonville is provided where available.

In addition to the beds listed in Table 43, the Continuum of Care's 2024 Housing Inventory Count (HIC) includes:

- 444 Rapid Rehousing (RRH) beds
- 1,132 Other Permanent Housing (OPH) beds, comprising:
 - Permanent Housing with Services (no disability required for entry)
 - Permanent Housing Only

Among all bed types, 1,543 are designated for families with children (or 516 family units), and 1,113 are for adults only. Specific allocations include:

- 624 Permanent Supportive Housing (PSH) beds for people experiencing chronic homelessness
- 355 beds for veterans (301 PSH, 40 RRH, and 14 Emergency Shelter)
- 83 beds for Transition Age Youth (TAY) (12 transitional housing, 19 RRH, and 52 OPH)
- 32 beds for persons fleeing from domestic violence (14 emergency shelter and 18 RRH)

Santa Cruz County agencies, nonprofits, and faith-based organizations have developed a comprehensive array of services to address homelessness and related needs. These include outreach programs, information and referral services, basic need assistance, mental health and substance abuse treatment, job training and placement, mainstream benefits assistance, family and childcare services, educational support, and more.

Some of these programs are not directly part of shelter or housing initiatives but play a crucial role in supporting individuals experiencing homelessness. Notable programs include, but are not intended to be comprehensive:

- Families Together - Families in Transition of Santa Cruz County – Provides home-based services to families across Santa Cruz County, including case management, housing navigation, and rental assistance. Case managers work closely with families to identify their housing needs and develop individualized plans to achieve stability.
- Youth Homeless Response Team – Community Action Board of Santa Cruz, Inc. (CAB, Inc.)– Connects unaccompanied homeless and at-risk youth and young adults (ages 15–24) to individualized services, including Coordinated Entry, referrals, and case management, to support housing, education, and employment goals.
- Vital Docs Program – Wings Homeless Advocacy– Assists individuals experiencing homelessness in obtaining essential documents, such as birth certificates, which are often required for employment, housing, and accessing services. Services are offered at local libraries in Santa Cruz and Watsonville.
- La Manzana Community Resources – Community Bridges– Offers housing navigation, public benefits enrollment assistance, mental health counseling, and emergency preparedness support in Watsonville, aiming to help individuals and families achieve stability and self-sufficiency.
- The Salvation Army Watsonville Corps– Provides free daily meals to individuals in need, supporting those experiencing homelessness and food insecurity in the Watsonville area.

- Grace Harbor – Teen Challenge Monterey Bay- Operates a 50-bed residential program for women with life-controlling issues, such as substance use disorders, and 42 beds for homeless and at-risk women and women with children, offering both long-term rehabilitation and emergency shelter.
- Monarch Services- Offers comprehensive services for survivors of domestic violence, sexual assault, and human trafficking, including a 24-hour bilingual crisis line, legal assistance, support groups, emergency shelter, and youth services focused on health, wellness, and leadership.
- Pajaro Valley Shelter Services (PVSS)- Provides emergency shelter and transitional housing for families, with programs emphasizing emotional, financial, and housing stability. Services include case management, parenting support, and financial literacy education.
- Healing the Streets (HTS)- A collaborative program between Santa Cruz County Behavioral Health and the Homeless Persons Health Project, offering case management, street medicine, and housing navigation services to individuals experiencing homelessness with mental health and substance use challenges.
- Housing for Health (H4H)- Supports the Continuum of Care efforts by implementing strategic frameworks and advocating for affordable housing to prevent and end homelessness, while coordinating resources and services across Santa Cruz County.
- NAMI Santa Cruz – TAY Family Support Group- Provides support for families and loved ones of transition-age youth (18–26) with mental health concerns, offering social-emotional support and youth leadership development.
- Veterans Services Office – County of Santa Cruz Human Services Department- Offers support and guidance on benefits earned through military service to all veterans and their families, regardless of service duration or discharge status.

This list is not exhaustive, as many other community-based organizations and programs contribute to addressing homelessness in Santa Cruz County.

MA-35 SPECIAL NEEDS FACILITIES AND SERVICES – 91.210(D)

INTRODUCTION

Throughout the City of Watsonville, many non-homeless individuals require supportive housing and services to help them maintain independence and avoid homelessness or institutional care. This includes individuals transitioning from mental or physical health facilities. Certain groups with specialized needs may face additional challenges accessing appropriate social services, supportive housing, or community-based facilities due to the nature of their circumstances.

As outlined in the Needs Assessment section of this plan, these populations include—but are not limited to—the elderly; individuals with physical, mental, or developmental disabilities; those experiencing substance use disorders; individuals living with HIV/AIDS; survivors of domestic violence; youth aging out of foster care or leaving group homes; and farmworkers.

This section provides a summary of the facilities and services available to these subpopulations, as referenced earlier in section MA-30 (Homeless Facilities and Services). It is important to note that this summary is not intended to be a comprehensive listing of all programs, services, facilities, or organizations serving these populations in Watsonville or Santa Cruz County.

INCLUDING THE ELDERLY, FRAIL ELDERLY, PERSONS WITH DISABILITIES (MENTAL, PHYSICAL, DEVELOPMENTAL), PERSONS WITH ALCOHOL OR OTHER DRUG ADDICTIONS, PERSONS WITH HIV/AIDS AND THEIR FAMILIES, PUBLIC HOUSING RESIDENTS AND ANY OTHER CATEGORIES THE JURISDICTION MAY SPECIFY, AND DESCRIBE THEIR SUPPORTIVE HOUSING NEEDS

The City of Watsonville, in collaboration with Santa Cruz County, recognizes the diverse and evolving supportive housing needs of its residents. These needs encompass various groups, each requiring tailored services to ensure stability and well-being. The following summarizes the identified needs and the efforts underway to address them:

Elderly and Frail Elderly- Many seniors in Watsonville face challenges related to fixed incomes, limited mobility, and health concerns. A survey indicated that 38% of respondents aged 60 and above are uncertain about their ability to age in place, and 38% report that their health limits their ability to leave home. To address these concerns, the county is developing a Master Plan for Aging, titled *Age Well Santa Cruz County*, which is a 10-year strategic plan focused on housing that supports aging in place, access to healthcare, and social inclusion.

Persons with Disabilities (Mental, Physical, Developmental): Individuals with disabilities often encounter barriers in accessing safe and affordable housing. Various programs provide specialized treatment and supportive housing services, including crisis stabilization programs and subacute residential facilities, to

assist individuals with mental health needs. Additionally, organizations like Encompass Community Services offer supported housing for adults with psychiatric disabilities.

Persons with Alcohol or Other Drug Addictions: Substance use disorders can impede access to stable housing. Programs throughout Santa Cruz County offer treatment and rehabilitation services, aiming to integrate individuals into supportive housing environments that promote recovery and stability.

Persons with HIV/AIDS and Their Families: Individuals living with HIV/AIDS require housing that accommodates their health needs and provides a supportive environment. The county has historically allocated funds to develop housing options for this population, ensuring access to necessary care and services.

Public Housing Residents: Residents of public housing may face challenges related to maintenance, community integration, and access to services. The county collaborates with the Housing Authority of Santa Cruz County to address these issues, aiming to enhance the quality of life for public housing residents.

Additional Special Needs Populations: Other groups, such as survivors of domestic violence, veterans, and transitional age youth, have specific housing needs. Projects like the Harvey West Studios in Santa Cruz and the Miles Lane development in Watsonville are examples of initiatives designed to provide supportive housing tailored to these populations.

This summary highlights the concerted efforts by the City of Watsonville and Santa Cruz County to address the supportive housing needs of its diverse populations. Through collaborative planning and targeted initiatives, the community strives to ensure that all residents have access to safe, stable, and supportive housing options.

DESCRIBE PROGRAMS FOR ENSURING THAT PERSONS RETURNING FROM MENTAL AND PHYSICAL HEALTH INSTITUTIONS RECEIVE APPROPRIATE SUPPORTIVE HOUSING

The City of Watsonville is an active participant in the Watsonville/Santa Cruz County Continuum of Care (CoC), a regional collaboration that addresses homelessness and supports individuals with specialized needs. Participating local agencies include Monarch Services/Defensa de Mujeres, Homeless Services Center (HSC), Pájaro Valley Rescue Mission, Pájaro Valley Shelter Services, Families in Transition, Santa Cruz AIDS Project, and the Santa Cruz Community Counseling Center.

In addition to CoC efforts, various community-based programs are available to assist individuals transitioning from physical or mental health care facilities. The Santa Cruz County Behavioral Health Division offers targeted services through several programs, including:

- Coordinated Care Teams, including the Older Adults Team- serve individuals aged 60+ with severe mental health conditions and complex medical needs.

- The Recovery Team- Supports adults 26+ with chronic mental illness and significant functional impairments.
- The South County Adult Team – Provides case management, medication support, and therapy for residents of Watsonville and surrounding areas.
- Transition Age Youth (TAY) Team- Assists young adults ages 18–25 with serious mental illness, offering a combination of mental health, vocational, and educational services.

The Homeless Persons Health Project (HPHP) delivers health outreach and integrated services to individuals experiencing homelessness or housing instability, including youth, adults, and families throughout Santa Cruz County.

The Recuperative Care Center (RCC), operated through a partnership between HSC and HPHP, with support from Dominican Hospital/Dignity Health, Watsonville Community Hospital, Central California Alliance for Health, Hospice of Santa Cruz, and others, provides short-term, 24-hour shelter with integrated health services for up to 12 individuals recovering from illness or injury. While RCC is not a licensed medical facility, it bridges the gap between shelter and healthcare by offering meals, onsite case management, housekeeping, and primary medical care services—including medication support and clinical social work—to help stabilize individuals discharged from hospitals or other medical settings.

These programs reflect a coordinated and multi-agency approach to addressing the supportive housing and service needs of special populations in Watsonville and the broader Santa Cruz County region.

SPECIFY THE ACTIVITIES THAT THE JURISDICTION PLANS TO UNDERTAKE DURING THE NEXT YEAR TO ADDRESS THE HOUSING AND SUPPORTIVE SERVICES NEEDS IDENTIFIED IN ACCORDANCE WITH 91.215(E) WITH RESPECT TO PERSONS WHO ARE NOT HOMELESS BUT HAVE OTHER SPECIAL NEEDS. LINK TO ONE-YEAR GOALS. 91.315(E)

During the upcoming year, the City of Watsonville will continue implementing a range of activities designed to address the housing and supportive service needs of residents who are not homeless but have other special needs, including elderly individuals, people with disabilities (mental, physical, developmental), people with substance use disorders, and other vulnerable populations.

In alignment with the Consolidated Plan and the City’s one-year goals, the following initiatives are planned:

Affordable Housing Development, Rehabilitation, and Code Enforcement

The City will continue to collaborate with developers and regional partners to expand the supply of affordable housing, including units designed to meet the accessibility needs of seniors and individuals with disabilities. This effort encompasses both new construction and rehabilitation projects, utilizing state and federal funding sources, including the HOME and CDBG programs.

Additionally, the City will maintain an active Code Enforcement Program to ensure that existing housing, particularly in low- and moderate-income neighborhoods, meets the required health and safety standards. Code enforcement activities help identify substandard conditions and work in tandem with rehabilitation

efforts to preserve the quality and livability of the housing stock. These efforts support the City's broader housing goals by promoting safe, decent, and affordable housing for all residents.

Public Infrastructure

The City will continue to invest in public infrastructure projects that promote accessibility, safety, and community inclusion. This includes ADA-compliant upgrades to public parks and facilities, with a focus on the Ramsay Park Renaissance Project, which aims to transform the park into a more inclusive, accessible, and multi-generational community space. These improvements are designed to enhance mobility and participation for individuals with disabilities, older adults, and all residents.

Economic Development

The City of Watsonville remains committed to advancing integrated strategies that enhance economic stability and improve access to essential services. This includes continued collaboration with community-based organizations such as El Pájaro Community Development Corporation (CDC), whose efforts play a vital role in promoting long-term community resilience through economic development.

El Pájaro CDC implements programs that support local entrepreneurship, provide technical assistance to small businesses, and create economic opportunities—particularly for low- and moderate-income residents. Many individuals served by these initiatives may also have special needs related to age, disability, or other circumstances. By promoting inclusive economic growth, these efforts help address underlying barriers to housing stability and access to supportive services.

Youth Center

Another important initiative involves dedicating funding to support the establishment and ongoing operations of the Gene Hoularis and Waldo Rodriguez Youth Center. This center will provide a safe and inclusive environment, offering after-school enrichment, workforce development programs, mentorship opportunities, and access to mental health and other supportive services. The center is designed to serve youth from low- and moderate-income households, many of whom experience economic challenges, learning disabilities, or other special needs. Through these comprehensive services, the center aims to empower young people with the skills and support necessary for long-term personal growth and economic self-sufficiency.

These activities reflect the City of Watsonville's commitment to supporting inclusive and equitable community development, improving the quality of life for residents with special needs, and aligning with the priorities identified in the Consolidated Plan.

FOR ENTITLEMENT/CONSORTIA GRANTEES: SPECIFY THE ACTIVITIES THAT THE JURISDICTION PLANS TO UNDERTAKE DURING THE NEXT YEAR TO ADDRESS THE HOUSING AND SUPPORTIVE SERVICES NEEDS IDENTIFIED IN ACCORDANCE WITH 91.215(E) WITH

RESPECT TO PERSONS WHO ARE NOT HOMELESS BUT HAVE OTHER SPECIAL NEEDS. LINK TO ONE-YEAR GOALS. (91.220(2))

See Above

MA-40 BARRIERS TO AFFORDABLE HOUSING – 91.210(E)

NEGATIVE EFFECTS OF PUBLIC POLICIES ON AFFORDABLE HOUSING AND RESIDENTIAL INVESTMENT

Several factors can impact development, including market conditions, environmental and physical constraints, government regulations, and budgetary limitations. Watsonville is situated in a high-cost-of-housing area, which makes it challenging to address the community's housing needs.

Development costs vary depending on the type of development, the cost of land, labor costs, and environmental conditions. Costs associated with development are often reflected in the purchase price and rents. Watsonville has ecological and physical constraints, including wetlands surrounding it, sloughs, the Pajaro River, and agricultural fields, which affect both the cost and feasibility of development within the existing City limits. Geologic and flood hazards, as well as the cost to mitigate them, affect the suitability of available land and the cost of development. The limited availability of land is partly due to county actions; however, we continue to seek opportunities to address needs by utilizing infill strategies.

Government regulations and policies, such as zoning, development standards, permit procedures and fees, and code requirements, not only impact prices but also affect the ability to maintain, develop, and improve housing. Development imposes short-term costs, which include planning services and inspections, while also resulting in significant long-term costs to support and enhance the City's infrastructure and ability to provide other services such as police and fire.

In addition, the availability of mortgage financing affects a person's ability to purchase or improve a home. Most low-income borrowers and homeowners lack the necessary resources to purchase or improve their existing housing and require assistance.

Budgetary issues at the local, state, and national levels, as well as Proposition 13, have limited the funding available to address local housing and infrastructure needs, as well as supportive services. The elimination of local Redevelopment Agencies by the State of California resulted in the loss of a crucial resource for the development and preservation of affordable housing. All of these constraints can result in increased prices and overcrowding.

MA-45 NON-HOUSING COMMUNITY DEVELOPMENT ASSETS – 91.215 (F)

INTRODUCTION

This section analyzes Watsonville’s primary non-housing community development needs, with a focus on economic development opportunities and workforce demands. The largest employment sectors are Education and Healthcare Services and Manufacturing, which together account for approximately 32% of all jobs in the city. Agriculture and Retail Trade follow as the next most prominent industries, each representing 12% of total employment. This marks a notable shift from the previous Consolidated Plan period, when Agriculture was the dominant sector at 26%. According to the 2016-2020 American Community Survey (ACS) and 2020 Longitudinal Employer-Household Dynamics data, Education and Healthcare Services have now emerged as the leading employment sector.

Economic Development Market Analysis

Business Activity

Table 41 – Business Activity

Data Source: 2016-2020 ACS (Workers), 2020 Longitudinal Employer-Household Dynamics (Jobs)

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	4,647	2,800	20%	12%	-8%
Arts, Entertainment, Accommodations	2,158	1,200	9%	7%	-2%
Construction	1,591	815	7%	5%	-2%
Education and Health Care Services	3,969	3,008	17%	18%	1%
Finance, Insurance, and Real Estate	707	498	3%	3%	0%
Information	131	83	1%	1%	0%
Manufacturing	2,309	2,290	10%	14%	4%
Other Services	827	407	4%	3%	-1%
Professional, Scientific, Management Services	1,793	1,222	8%	8%	0%
Public Administration	654	1,335	3%	8%	5%
Retail Trade	2,587	1,985	11%	12%	1%
Transportation and Warehousing	662	339	3%	2%	-1%
Wholesale Trade	919	1,087	4%	7%	3%
Total	22,954	16,277	--	--	--

Labor Force

Table 42 – Labor Force

Data Source: 2016-2020 ACS

Total Population in the Civilian Labor Force	25,047
Civilian Employed Population 16 years and over	23,036
Unemployment Rate	8.03
Unemployment Rate for Ages 16-24	16.27%
Unemployment Rate for Ages 25-65	5.42%

Occupation by Sector

Table 43- Occupation by Sector

Data Source: 2016-2020 ACS

Occupations by Sector	Number of People
Management, business and financial	3,169
Farming, fisheries and forestry occupations	1,932
Service	3,056
Sales and office	4,657
Construction, extraction, maintenance and repair	5,254
Production, transportation and material moving	1,576

Travel Time

Table 44- Travel Time

Data Source: 2016-2020 ACS

Travel Time	Number	Percentage
< 30 Minutes	12,455	59%
30-59 Minutes	6,449	31%
60 or More Minutes	2,191	10%
Total	21,095	100%

Education:

Table 45- Educational Attainment by Employment Status

Data Source: 2016-2020 ACS

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	6,252	401	2,382
High school graduate (includes equivalency)	4,656	599	1,091

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Some college or Associate's degree	5,371	211	1,150
Bachelor's degree or higher	2,525	161	492

Educational Attainment by Age

Table 46- Educational Attainment by Age

Data Source: 2016-2020 ACS

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	325	748	2,003	4,470	1,605
9th to 12th grade, no diploma	537	526	526	762	401
High school graduate, GED, or alternative	1,609	2,285	1,814	2,247	1,480
Some college, no degree	2,247	2,188	1,068	1,865	893
Associate's degree	402	725	493	393	315
Bachelor's degree	297	1,009	396	805	460
Graduate or professional degree	29	13	316	639	481

Educational Attainment – Median Earnings in the Past 12 Months

Table 47- Median Earnings in the Past 12 Months

Data Source: 2016-2020 ACS

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	21,914
High school graduate (includes equivalency)	30,744
Some college or Associate's degree	35,681
Bachelor's degree	62,852
Graduate or professional degree	90,000

BASED ON THE BUSINESS ACTIVITY TABLE ABOVE, WHAT ARE THE MAJOR EMPLOYMENT SECTORS WITHIN YOUR JURISDICTION?

According to the 2016–2020 American Community Survey (ACS), Education and Healthcare Services is the largest employment sector in the City of Watsonville, representing 18% of all jobs and employing 17% of the local workforce. Manufacturing is the second-largest sector, accounting for 14% of jobs and 10% of workers. Agriculture and Retail Trade are tied as the third-largest sectors, each comprising 12% of jobs. However, Agriculture employs a larger share of the workforce at 20%, compared to 11% for Retail Trade.

DESCRIBE THE WORKFORCE AND INFRASTRUCTURE NEEDS OF THE BUSINESS COMMUNITY

The business community in Watsonville faces a range of workforce and infrastructure challenges that influence the city's economic growth, productivity, and long-term sustainability. Watsonville's business community is navigating a range of workforce and infrastructure needs that impact the city's economic vitality and long-term growth. Key industries, such as agriculture, manufacturing, construction, and healthcare, report persistent challenges in hiring skilled workers, including welders, maintenance technicians, healthcare staff, commercial drivers, and construction tradespeople. Employers also highlight a shortage of candidates with essential job readiness skills, including punctuality, effective communication, and professionalism.

Given the city's diverse population, there is substantial demand for bilingual workers, particularly in customer-facing roles in education, healthcare, and retail. Fluency in English and Spanish remains a competitive advantage in the local labor market.

To address workforce gaps, the City of Watsonville collaborates closely with the Santa Cruz County Workforce Development Board, Cabrillo College, and training providers, such as the Center for Employment Training (CET), to expand access to apprenticeships, industry certifications, and job readiness programs tailored to meet the needs of employers.

On the infrastructure side, business growth depends on improvements to transportation corridors, particularly access to Highway 1, as well as enhanced freight mobility. Broadband connectivity remains a barrier in some industrial regions, limiting the adoption and expansion of technology. Additionally, outdated utilities and site limitations pose challenges to business relocation and development efforts.

Supportive infrastructure, including affordable housing, childcare, and public transit, is also essential to enabling full workforce participation, especially for lower-income and working families.

Addressing these workforce and infrastructure challenges is critical to advancing the City's Consolidated Plan priorities, supporting business growth, attracting investment, and creating quality jobs for residents.

DESCRIBE ANY MAJOR CHANGES THAT MAY HAVE AN ECONOMIC IMPACT, SUCH AS PLANNED LOCAL OR REGIONAL PUBLIC OR PRIVATE SECTOR INVESTMENTS OR INITIATIVES THAT HAVE AFFECTED OR MAY AFFECT JOB AND BUSINESS GROWTH OPPORTUNITIES DURING THE PLANNING PERIOD. DESCRIBE ANY NEEDS FOR WORKFORCE DEVELOPMENT, BUSINESS SUPPORT OR INFRASTRUCTURE THESE CHANGES MAY CREATE

Several ongoing and planned public and private sector investments in Watsonville are expected to influence job creation and business growth opportunities during the Consolidated Plan period. These include:

Downtown Revitalization and Economic Development Initiatives- As part of the City Council's 2025–2027 Strategic Plan, Watsonville is actively working to diversify and revitalize its downtown area. Key efforts include:

- Attracting entertainment, retail, and experience-based businesses.
- Expanding residential and mixed-use development.
- Working with commercial property owners to improve building conditions and activate vacant spaces.
- Expanding the Downtown Parking District to support in-fill development by removing on-site parking requirements for non-residential uses.

These changes are expected to stimulate private investment, create jobs in the construction and service sectors, and increase opportunities for small businesses to grow. However, they also make a need for targeted workforce development in the construction trades, hospitality, and professional services sectors, as well as support for small business owners and entrepreneurs.

Industrial and Manufacturing Sector Growth- Watsonville continues to see opportunities for expansion in manufacturing, logistics, and ag-tech, particularly given its proximity to agricultural production and transportation corridors. Planned investments in industrial facilities and business parks are expected to drive job growth in these areas. This growth reinforces the demand for:

- Technical training and certifications for residents.
- Programs that support workforce entry and advancement in advanced manufacturing.
- Infrastructure upgrades, including roads, utilities, and broadband, to support business operations and expansion.

Affordable Housing and Public Infrastructure Projects - New investments in affordable and mixed-income housing developments, some of which are already in the planning or permitting stages, will increase construction activity and could support long-term economic stability by reducing housing cost burdens. These developments also place increased demands on:

- Construction labor and project management skills.
- Transportation and utility infrastructure.
- Community services ensure neighborhoods remain livable and connected to employment centers.

Regional Workforce and Educational Partnerships- Watsonville continues to collaborate with the Santa Cruz County Workforce Development Board, community colleges, and other partners to align local training programs with these changing economic dynamics. There is a growing need for:

- Workforce development in high-growth sectors like healthcare, construction, logistics, and renewable energy.
- Business support services, especially for immigrant- and minority-owned businesses.

- Expanded childcare and transportation options remain critical to full workforce participation.

These significant economic changes, particularly downtown revitalization, industrial growth, and infrastructure development, are creating substantial opportunities for job and business expansion in Watsonville. To fully capitalize on them, there is a clear need to invest in workforce training, small business support, and modern infrastructure, all of which align closely with the priorities of the Consolidated Plan.

HOW DO THE SKILLS AND EDUCATION OF THE CURRENT WORKFORCE CORRESPOND TO EMPLOYMENT OPPORTUNITIES IN THE JURISDICTION?

In Watsonville, the relationship between workforce skills and available employment opportunities is varied. Many of the city's dominant industries—such as agriculture, manufacturing, retail, and services—tend to require lower levels of formal education. This aligns with the educational profile of much of the local workforce, as American Community Survey (ACS) data indicate that a significant portion of working-age residents hold a high school diploma or less, which corresponds well with the demands of these labor-intensive sectors.

At the same time, there is an increasing demand for skilled workers in sectors such as healthcare, education, construction, and technology fields, which typically require postsecondary education, industry certifications, or vocational training. This has led to a skills gap between portions of the existing workforce and the qualifications needed for these emerging or higher-wage opportunities.

To address this challenge, the City of Watsonville partners with the Santa Cruz County Workforce Development Board, local colleges, and community-based organizations to enhance access to job training and credentialing programs. These partnerships aim to strengthen career pathways in in-demand fields, expand education and training for both youth and adults, and support upskilling and reskilling efforts for current workers.

Together, these initiatives help ensure that Watsonville residents are better prepared to access quality employment, while also meeting the evolving workforce needs of local employers and contributing to a more inclusive and resilient economy.

DESCRIBE ANY CURRENT WORKFORCE TRAINING INITIATIVES, INCLUDING THOSE SUPPORTED BY WORKFORCE INVESTMENT BOARDS, COMMUNITY COLLEGES AND OTHER ORGANIZATIONS. DESCRIBE HOW THESE EFFORTS WILL SUPPORT THE JURISDICTION'S CONSOLIDATED PLAN.

The City of Watsonville actively supports and participates in workforce development initiatives that align with the goals of the Consolidate Plan particularly, in expanding economic opportunities and reducing barriers to employment for low-and moderate-income residents.

At the core of these efforts is the Workforce Innovation and Opportunity Act (WIOA), a federal program that provides funding and policy guidance for workforce development systems across the nation. Locally, WIOA programs are implemented through the Workforce Development Board (WDB) of Santa Cruz County, which serves as the area's Workforce Investment Board (WIB). The WDB collaborates with the City of Watsonville and other regional stakeholders to align job training with employer demand, enhance access to career services, and establish pathways to employment for both youth and adults.

Key Workforce training initiatives in Watsonville include:

Workforce Santa Cruz County (WIOA-Funded Programs)

- Offers career services, including job readiness workshops, resume assistance, job placement, and training subsidies.
- Operates America's Job Center of California (AJCC) locations that serve Watsonville residents, helping them access WIOA services.
- Prioritize services for disadvantaged populations, including youth (ages 16-24), veterans, and individuals facing employment barriers.

Partnerships with Community-Based Organizations and Educational Institutions

- The Center for Employment Training (CET – Watsonville Campus) offers short-term vocational programs in healthcare, construction, and welding, aligning with regional job market demands.
- Watsonville/Aptos/Santa Cruz Adult Education and the Santa Cruz County Office of Education offer pre-apprenticeship programs in building trades that help residents enter high-wage, unionized jobs.

City Initiatives Supporting Workforce Development

- Under the City Council's Strategic Plan (2025–2027), Watsonville is collaborating with the Workforce Investment Board to expand business and employment opportunities.
- The City also supports outreach and community engagement to connect residents to job training resources, and it encourages development that aligns with future workforce needs.

These workforce development initiatives directly advance the goals of the City's Consolidated Plan by enhancing economic mobility for low- and moderate-income residents, addressing unemployment and underemployment through targeted training in high-demand sectors such as healthcare, construction, manufacturing, and fostering inclusive growth through collaborative partnerships that promote job readiness and career advancement.

Collectively, these efforts contribute to building a skilled local workforce, attracting new business investment, and supporting the development of a more equitable and resilient economy in Watsonville.

DOES YOUR JURISDICTION PARTICIPATE IN A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)?

Yes, the City is part of the Santa Cruz County Comprehensive Economic Development Strategy (CEDS).

IF SO, WHAT ECONOMIC DEVELOPMENT INITIATIVES ARE YOU UNDERTAKING THAT MAY BE COORDINATED WITH THE CONSOLIDATED PLAN? IF NOT, DESCRIBE OTHER LOCAL/REGIONAL PLANS OR INITIATIVES THAT IMPACT ECONOMIC GROWTH

The City of Watsonville is actively pursuing several economic development initiatives that align with and can be coordinated with the Consolidated Plan. These efforts aim to build a strong, resilient, and inclusive local economy by supporting existing businesses, attracting new and diverse enterprises that meet community needs, and encouraging investment in key areas.

As part of the City Council's Strategic Plan 2025-2027, the City is focusing on:

- Expanding the diversity of downtown by encouraging new retail, professional, residential, and personal service uses.
- Prioritizing the attraction of entertainment and experience-based businesses to enhance the vibrancy of the downtown area.
- Actively engaging commercial property owners to improve the image of the area and reduce vacancies.
- Partnering with the Workforce Investment Board to increase business and employment opportunities.
- Launching outreach efforts, including social media campaigns and community events, to build public support for economic and infrastructure improvements.
- Expanding the Downtown Parking District to cover the entire Downtown Watsonville Specific Plan (DWSP) area, exempting all non-residential uses from on-site parking requirements, thereby supporting adaptive reuse and infill development.

These initiatives are designed to complement the goals of the Consolidated Plan by enhancing economic opportunity, reducing barriers to development, and supporting community-driven revitalization.

DISCUSSION

Watsonville is working on a CEDS goal to improve the walkability and economic vitality of the Downtown Area. This effort included significant changes to the streetscape, enhanced pedestrian facilities, improvements to downtown parks, upgraded parking systems, a new specific plan for Downtown, and initiatives to increase the number of residential units in the Downtown area. These efforts are underway and have been consistently coordinated with the City's CDBG Action Plan.

The City has had an ongoing economic development effort in place for the past six years, resulting in several expanding businesses. This effort will continue for the foreseeable future. The City is also seeking to reduce response times for calls to our Fire Department. To do so will require the construction and provision of a new fire station. As funding becomes available, the City will leverage Federal, State, and Local funds to complete this project.

The goals also include enhancing walkability and transit access for residents, improving water supply management and increasing water supply reliability, upgrading infrastructure, enhancing business

viability, streamlining permitting processes, and improving community access to recreational opportunities. All these efforts are underway.

MA-50 NEEDS AND MARKET ANALYSIS DISCUSSION

ARE THERE AREAS WHERE HOUSEHOLDS WITH MULTIPLE HOUSING PROBLEMS ARE CONCENTRATED? (INCLUDE A DEFINITION OF "CONCENTRATION")

For the purposes of this plan, “concentration” refers to census tracts or block groups where the percentage of households experiencing multiple housing problems is significantly higher than the citywide average. This is typically defined as areas where either:

- The proportion of affected households is at least 10 percentage points higher than the citywide average, or
- 50% or more of households in the tract are affected.

According to HUD guidelines, a household is considered to have a housing problem if it experiences any one of the following four conditions:

1. Incomplete kitchen facilities
2. Incomplete plumbing facilities
3. Overcrowding (more than one person per room)
4. Housing cost burden (spending more than 30% of income on housing)

A household with multiple housing problems is one that experiences two or more of these issues concurrently. Among lower-income households in Watsonville, the most common combination involves both overcrowding and cost burden, reflecting the shortage of affordable, adequately sized housing. As noted in earlier sections, low-income households make up the majority of those experiencing housing problems. In Watsonville, this issue is widespread:

- In all but two census tracts, 1107 and 1223, between 51% and 100% of households are experiencing at least one housing problem.
- Furthermore, between 30% and 100% of households in each tract are experiencing one or more severe housing problems, which include severe cost burden or severe overcrowding.

Census Tract 1107 consists primarily of the Watsonville Municipal Airport and agricultural land (approximately 1,223 acres), accounting for the limited presence of residential households and the absence of recorded housing problems in that area. These findings highlight areas of the city where housing challenges are not only widespread but layered, warranting targeted investments and interventions.

ARE THERE ANY AREAS IN THE JURISDICTION WHERE RACIAL OR ETHNIC MINORITIES OR LOW-INCOME FAMILIES ARE CONCENTRATED? (INCLUDE A DEFINITION OF "CONCENTRATION")

A low-income concentration is defined as a census tract where at least 51% of households have incomes at or below 80% of the Area Median Income (AMI). A minority concentration is defined as a census tract

where the percentage of residents from a specific racial or ethnic group is 20 percentage points higher than the citywide average for that group.

Based on the 2016-2020 American Community Survey (ACS) data, most of Watsonville's census tracts exhibit a concentration of low-income households, except Tracts 1107 (Watsonville Municipal Airport area), 1223 (primarily agricultural land), and Tracts 1104.02, 1102.01, and 1101.01.

While there are no formal areas of racial or ethnic minority concentration based on the 20 percentage-point threshold, Hispanic populations are heavily concentrated in nearly all census tracts across the city.

Historical settlement trends, housing affordability challenges, and varying access to public services shape these demographic patterns. Understanding these concentrations is essential for developing effective fair housing policies, ensuring language access, and strategically allocating federal housing and community development resources.

WHAT ARE THE CHARACTERISTICS OF THE MARKET IN THESE AREAS/NEIGHBORHOODS?

Based on the 2016-2020 American Community Survey (ACS), Watsonville has a total of 14,317 housing units. A significant share of these units was built over 35 years ago, with 55% of households living in older homes. Of these, 38% are owner-occupied and 47% are rental properties. As previously mentioned, more than half of the housing units in each census tract face one or more housing challenges.

The most recent data shows that between 21% and 42% of rental units across the city's census tracts are subsidized.

ARE THERE ANY COMMUNITY ASSETS IN THESE AREAS/NEIGHBORHOODS?

All neighborhoods in Watsonville benefit from access to parks, fully developed infrastructure, and essential services. The city spans just 6.5 square miles, meaning that most areas are within walking distance of key amenities. Additionally, Watsonville's neighborhoods are well-connected by local transit services, including options for individuals with disabilities and those unable to use regular transit.

ARE THERE OTHER STRATEGIC OPPORTUNITIES IN ANY OF THESE AREAS?

While Watsonville is primarily built out, there are still several small areas offering opportunities to expand the affordable housing stock. The City is actively collaborating with local developers, Cabrillo College, and the University of California, Santa Cruz (UCSC) and the Pajaro Valley Unified School District (PVUSD) to develop housing units on these properties.

MA-60 BROADBAND NEEDS OF HOUSING OCCUPIED BY LOW- AND MODERATE-INCOME HOUSEHOLDS - 91.210(A)(4), 91.310(A)(2)

DESCRIBE THE NEED FOR BROADBAND WIRING AND CONNECTIONS FOR HOUSEHOLDS, INCLUDING LOW- AND MODERATE-INCOME HOUSEHOLDS AND NEIGHBORHOODS

With approximately 78% of Watsonville’s population classified as low- and moderate-income (LMI), many households struggle to access reliable Wi-Fi, a challenge that became especially evident during the COVID-19 pandemic. In response, the Pajaro Valley Unified School District implemented distance learning, highlighting the urgent need for broadband infrastructure. In partnership with Cruzio, the Pajaro Valley School District, and the Parks and Community Department, the City established multiple internet access points across Watsonville to support distance learning for students.

Broadband connectivity is no longer just a convenience; it’s a vital component of household safety, emergency preparedness, and community resilience. For LMI households, which are often the most vulnerable during crises, access to reliable internet is crucial for staying connected, accessing essential services, and maintaining communication. Treating broadband as critical infrastructure, on par with roads, electricity, and clean water, ensures equity in emergency response, recovery, and overall community well-being.

Expanding broadband access in underserved neighborhoods will reduce vulnerability, save lives, and help accelerate equitable recovery by ensuring all residents have the necessary resources for education, workforce development, and access to essential assistance.

DESCRIBE THE NEED FOR INCREASED COMPETITION BY HAVING MORE THAN ONE BROADBAND INTERNET SERVICE PROVIDER SERVE THE JURISDICTION.

According to [hightspeedinternet.com](https://www.hightspeedinternet.com), there are currently at least ten internet service providers operating in Watsonville, reflecting a competitive broadband market. However, despite this competition, the cost of internet access remains prohibitively high for some low-income households. With the city’s high housing cost burden, additional expenses like broadband can place significant financial pressure on households already struggling to cover basic housing needs.

MA-65 HAZARD MITIGATION - 91.210(A)(5), 91.310(A)(3)

DESCRIBE THE JURISDICTION'S INCREASED NATURAL HAZARD RISKS ASSOCIATED WITH CLIMATE CHANGE

While climate change primarily intensifies existing hazards, it can also introduce new risks that communities may not have faced before. Extreme heat and sea-level rise are emerging threats for the City of Watsonville, which have not historically been significant concerns but may pose increasing risks in the future.

Extreme heat is characterized by unusually high daily or nighttime temperatures, though there is no universally accepted standard for defining an extreme heat event. The relationship between temperature, illness, and mortality varies by region and season, depending on the area's typical temperature range and the timing of heat events. Therefore, it is more effective to define extreme heat in Watsonville based on local temperature trends rather than a fixed threshold. In Watsonville, an extreme heat day is defined as any day when the maximum temperature exceeds 90.1°F, based on the 98th percentile of daily maximum temperatures from 1961 to 1990 (Cal-Adapt, 2020).

It's important to note that extreme heat events are defined independently of humidity levels, as humidity can make the air feel hotter than the actual temperature. The primary threat of extreme heat is to human health. Even temperatures as low as 80°F can lead to fatigue with prolonged exposure, while heat exhaustion can follow. When the body's internal temperature reaches 105°F, organ failure and even death can occur. Additionally, extreme heat accelerates the production of smog, fine particulates (PM2.5), and ground-level ozone, which exacerbate respiratory issues and increase the likelihood of asthma attacks, heart attacks, and other health problems.

DESCRIBE THE VULNERABILITY TO THESE RISKS OF HOUSING OCCUPIED BY LOW- AND MODERATE-INCOME HOUSEHOLDS BASED ON AN ANALYSIS OF DATA, FINDINGS, AND METHODS.

Climate change impacts all populations, but not equally. The severity of these impacts depends largely on a community's ability to cope with and recover from them. Research has shown that social factors such as age, race, and income significantly influence an individual's capacity to prepare for, respond to, and recover from climate-related events, including natural disasters (Cutter et al., 2009). As such, vulnerable groups, as discussed previously, are more likely to experience disproportionate burdens from climate change.

The effects of heat waves vary geographically, as local populations adapt to their environment through physiological, behavioral, cultural, and technological changes. Increased temperatures, particularly during heat waves, directly threaten human health, especially for climate-sensitive populations, by causing heat-related illnesses and worsening pre-existing health conditions. In Watsonville, 5% of the population

suffers from cardiovascular disease, and 43% have asthma (CEC 2020e), both of which are sensitive to heat impacts.

While the City enjoys relatively mild temperatures, coastal residents face a higher risk of cardiovascular hospitalizations during heat waves compared to those in non-coastal areas. This is likely due to a lack of acclimatization among residents who are accustomed to cooler conditions. Although air conditioning is an effective mitigation measure against heat-related illness, many residents lack access to air conditioning due to the generally mild regional climate. In Watsonville, a heat health event is defined as any event that has a public health impact, regardless of the absolute temperature. The thresholds for these events were established by analyzing daily meteorological data (1984-2013) and emergency department visitation data (2005-2013). Historically, the City experiences an average of 0.03 heat health events per year (CEC 2020e).

Compared to more urban areas, Watsonville has fewer cooling centers for residents without air conditioning. Moreover, approximately 19% of the population, who primarily work outdoors, are not protected by indoor cooling systems (CEC 2020e).

Sea-level rise poses another climate-related challenge for Watsonville, especially in relation to urban drainage systems. Rising sea levels will likely increase groundwater levels during extreme tides, limiting the ability of drainage systems to handle runoff. This, combined with more intense precipitation events, will strain these systems, leading to more frequent flooding and combined sewer overflows. The presence of saltwater can accelerate the corrosion of water and sewer pipes, further exacerbating infrastructure damage. Water treatment plants in low-lying areas are also vulnerable to flooding due to sea-level rise, with the potential for structural damage, inundation of electrical systems, and operational disruptions. Some plants discharge wastewater through underwater pipes, which could flood the facilities from the inside as water levels rise. To maintain operations, more pumps may be required, and increased flooding could cause long-term damage.

Currently, the City's social vulnerability to sea-level rise remains low, as most residential properties are located inland, and the onset of sea-level rise is gradual. However, these vulnerabilities may increase over time.

STRATEGIC PLAN

SP-05 OVERVIEW

STRATEGIC PLAN OVERVIEW

The Strategic Plan sets forth the City of Watsonville’s key priorities for the 2025–2029 Consolidated Plan period. These five-year goals are designed to align with HUD’s national objectives and outcomes and are implemented through the Annual Action Plan, which breaks them down into achievable yearly targets. Based on findings from the Needs Assessment, Market Analysis, and Community Outreach, the City has identified six high-priority areas requiring focused attention.

The Strategic Plan establishes targeted goals to address most of these needs; however, not all identified challenges can be fully resolved within the five-year timeframe. Some issues are constrained by limited funding, others require long-term regional collaboration, and a few are beyond the current scope of the City’s resources.

Despite these limitations, the Strategic Plan outlines meaningful goals across six core areas: addressing basic needs, expanding supportive services, enhancing youth and senior programs, promoting economic development, advancing housing services, and investing in infrastructure improvements. These goals reflect the City’s commitment to improving the quality of life for all residents, particularly those with the greatest needs.

SP-10 GEOGRAPHIC PRIORITIES – 91.215 (A)(1)

GEOGRAPHIC AREA

The City of Watsonville does not have geographic priorities and will continue to utilize CDBG funding to support citywide efforts that address the community's needs.

GENERAL ALLOCATION PRIORITIES- DESCRIBE THE BASIS FOR ALLOCATING INVESTMENTS GEOGRAPHICALLY WITHIN THE JURISDICTION (OR WITHIN THE EMSA FOR HOPWA)

The City is not proposing any targeted geographic investment areas for the 2025-2029 Consolidated Plan cycle. As a result, a geographic allocation table is not included.

Instead of a place-based approach, the City will implement a need-based strategy to guide investment decisions over the next five years. Following consultation with City staff, service providers, and community organizations, no clear consensus emerged identifying specific neighborhoods or areas that should receive concentrated investment. This reflects the fact that the majority of Watsonville already qualifies as low- and moderate-income, and the many areas share similar levels of need.

High-priority project types identified through the planning process include affordable housing, homeless services, youth and adult care services, neighborhood revitalization, and accessibility improvements. These needs are widespread and not confined to a single area of the city. Therefore, restricting these investments to a specific geography would not be practical and could limit the effectiveness of the City's efforts.

Moving forward, the City will continue to assess project needs annually through the citizen participation process and ongoing consultation with community-based organizations and service providers, ensuring that investments respond to emerging needs and community priorities citywide.

SP-25 PRIORITY NEEDS - 91.215(A)(2)

Priority Needs

Table 48- Priority Needs Summary

1	Priority Need Name	Affordable Housing
	Priority Level	High
	Population	Extremely Low Low Large Families Families with Children Elderly Chronic Homelessness Families with Children Mentally Ill veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with HIV/AIDS and their Families Victims of Domestic Violence
	Geographic Areas Affected	Citywide
	Associated Goals	Affordable Housing
	Description	Provide safe, decent, and affordable housing for extremely low- to moderate-income households by preserving and expanding the affordable housing stock. This includes supporting housing programs for individuals experiencing homelessness, such as emergency shelters, transitional housing, and permanent housing solutions, as well as efforts to prevent homelessness. Additionally, it aims to strengthen code enforcement efforts to ensure that housing quality and safety standards are consistently maintained.
	Basis for Relative Priority	Citizen Participation, Needs Assessment. Ensuring access to quality housing and enhancing existing housing conditions are essential to maintaining and improving the overall quality of life for all residents of Watsonville, across all population segments.

2	Priority Need Name	Public Services
	Priority Level	High
	Population	Extremely Low Low Large Families Families with Children Elderly Chronic Homelessness Families with Children Unaccompanied Youth Non-housing Community Development
	Geographic Areas Affected	Citywide
	Associated Goals	Public Services
	Description	Enhance public safety and living environments by supporting crime prevention efforts and expanding supportive services for youth, individuals with special needs, those experiencing homelessness, and low- to moderate-income households.
	Basis for Relative Priority	Citizen participation, Needs Assessment.
3	Priority Need Name	Economic Development
	Priority Level	High
	Population	Extremely Low Low Non-housing Community Development
	Geographic Areas Affected	Citywide
	Associated Goals	Economic Development
	Description	Promote economic development and strengthen the housing stock by expanding economic opportunities through targeted improvements to Downtown living areas and commercial/industrial zones, supporting revitalization and growth through enhancement programs.

	Basis for Relative Priority	Citizen Participation, Needs Assessment.
4	Priority Need Name	Public Facilities
	Priority Level	High
	Population	Extremely Low Low Large Families Families with Children Elderly Chronic Homelessness Elderly Frail Elderly Persons with Physical Disabilities Non-housing Community Development
	Geographic Areas Affected	Citywide
	Associated Goals	Public Facilities
	Description	Enhance the community's image and living conditions by improving infrastructure and park facilities that meet the needs of low- and moderate-income residents, including continuous upgrades through public facility rehabilitation and infrastructure reconstruction.
	Basis for Relative Priority	Citizen Participation, Needs Assessment.

SP-30 INFLUENCE OF MARKET CONDITIONS – 91.215 (B)

Influence of Market Conditions

Table 49- Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant-Based Rental Assistance (TBRA)	Watsonville experiences high housing costs, with more than half of households earning under 80% of the Area Median Income (AMI) and many spending over 30% of their income on housing. Rental assistance programs, including Tenant-Based Rental Assistance (TBRA) administered by the Housing Authority of the County of Santa Cruz (HACSC), help low-income residents afford housing. TBRA is distributed citywide based on need, providing support to residents throughout Watsonville.
TBRA for Non-Homeless Special Needs	Rental assistance in Watsonville is provided by the Housing Authority of Santa Cruz County and is designed to support low-income residents, including those with special needs.
New Unit Production	High housing demand in Watsonville underscores the need for new housing development; however, the limited availability of land significantly restricts new construction. Additionally, rising costs for construction materials and labor further challenge the financial feasibility of housing projects. These factors limit the number of new units that can be built with existing funding and will continue to impact the pace and scale of future housing production.
Rehabilitation	Watsonville has a large share of older housing, with 55% of households, 38% of which are owner-occupied and 17% renter-occupied, living in units that are more than 35 years old. High housing costs and relatively low rental income make it challenging for many property owners to invest in necessary maintenance and repairs. This is reflected in the number of households experiencing one or more housing problems, such as overcrowding, cost burden, or substandard living conditions.
Acquisition, including preservation	Between 2016 and 2020, the median home value in Watsonville rose by 39%, while homeownership rates declined. The combination of rising housing costs and relatively low household incomes has made it increasingly difficult for many residents to secure or retain housing. As a result, preserving affordable housing and preventing displacement have become critical priorities for the City.

SP-35 ANTICIPATED RESOURCES - 91.215(A)(4), 91.220(C)(1,2)

INTRODUCTION

The City of Watsonville is a CDBG entitlement jurisdiction and has been allocated \$634,804 in Community Development Block Grant (CDBG) funds for the 2025–2026 program year. Additionally, the City anticipates receiving approximately \$20,000 in CDBG Program Income (PI) from the final loan payoffs related to housing rehabilitation loans. These funds will be reprogrammed for eligible future activities.

The City will continue to leverage CDBG funds through its First-Time Homebuyer and Housing Rehabilitation Programs, which are supported by a combination of funding sources, including CDBG, HOME, CalHome, PLHA, and Inclusionary Housing in-lieu fees. These programs provide critical gap financing to help low-income households achieve homeownership and offer financial and technical assistance to low-income homeowners or landlords who rent to low-income tenants for essential home repairs and improvements.

Anticipated Resources

Table 50- Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public - Federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	634,804	20,000	48,897.18	703,701.18	2,539,216	Based on level funding in subsequent years.

EXPLAIN HOW FEDERAL FUNDS WILL LEVERAGE THOSE ADDITIONAL RESOURCES (PRIVATE, STATE AND LOCAL FUNDS), INCLUDING A DESCRIPTION OF HOW MATCHING REQUIREMENTS WILL BE SATISFIED

The CDBG program does not require matching funds; however, the City voluntarily contributes local and other funding sources to enhance and expand the impact of many CDBG-supported activities.

IF APPROPRIATE, DESCRIBE PUBLICALLY OWNED LAND OR PROPERTY LOCATED WITHIN THE JURISDICTION THAT MAY BE USED TO ADDRESS THE NEEDS IDENTIFIED IN THE PLAN

As the Successor Agency to the former Redevelopment Agency (RDA), the City holds several vacant properties that may be utilized to support future affordable housing developments. Over the next few years, the City plans to advance efforts to repurpose these sites, taking the next steps in the disposition and redevelopment of former RDA-owned land.

DISCUSSION

The State of California's dissolution of local Redevelopment Agencies in February 2012 eliminated a vital source of funding for the development and preservation of affordable housing. Although this action ended a consistent revenue stream for such efforts, the City of Watsonville, acting as the Successor Agency to the former Redevelopment Agency (RDA), continues to oversee its Affordable Housing Program. This program now operates with limited resources, primarily sustained through loan repayments from past housing investments.

SP-40 INSTITUTIONAL DELIVERY STRUCTURE – 91.215(K)

EXPLAIN THE INSTITUTIONAL STRUCTURE THROUGH WHICH THE JURISDICTION WILL CARRY OUT ITS CONSOLIDATED PLAN, INCLUDING PRIVATE INDUSTRY, NON-PROFIT ORGANIZATIONS, AND PUBLIC INSTITUTIONS.

Table 51- Institutional Delivery Structure

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
City of Watsonville	Government	Economic Development Non-homeless special needs Ownership Planning Rental neighborhood improvements public facilities public services	Jurisdiction
COUNTY OF SANTA CRUZ	Government	Homelessness Non-homeless special needs Planning	Region
Housing Authority of Santa Cruz County	PHA	Public Housing	Region
Homeless Action Partnership	Continuum of care	Homelessness	Region
Community Bridges (AKA La Manzana Community Resources)	Community/Faith-based organization	Homelessness Non-homeless special needs public services	Region
Encompass	Community/Faith-based organization	Non-homeless special needs public services	Region
California Rural Legal Assistance, Inc.	Regional organization	Non-homeless special needs	Region
SECOND HARVEST FOOD BANK	Regional organization	Non-homeless special needs	Region
Family Service Agency of the Central Coast	Community/Faith-based organization	Non-homeless special needs	Region
WALNUT AVENUE WOMEN'S CENTER	Community/Faith-based organization	Non-homeless special needs	Region

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Monarch Services (AKA Women's Crises Support-Defensa de Mujeres)	Community/Faith-based organization	Non-homeless special needs	Region
Pajaro Valley Loaves and Fishes	Community/Faith-based organization	Non-homeless special needs	Region
PAJARO VALLEY SHELTER SERVICES	Community/Faith-based organization	Homelessness Non-homeless special needs	Region
Watsonville Law Center	Community/Faith-based organization	Non-homeless special needs	Region
El Pajaro Community Development Corporation	Subrecipient	Economic Development Non-homeless special needs	Region

ASSESS OF STRENGTHS AND GAPS IN THE INSTITUTIONAL DELIVERY SYSTEM

Watsonville serves as the primary residential and employment hub for South Santa Cruz County, supported by a broad network of services that assist low- and moderate-income individuals, people experiencing homelessness, and those with special needs. While many of these services are available within Watsonville, some require travel to Santa Cruz or the mid-county area.

The most significant gap lies in the delivery of affordable housing. With Watsonville nearly built out to its jurisdictional limits and only a few remaining development sites, the construction of new affordable units is expected to be limited to infill opportunities and may significantly decline within the next five years. Affordable housing options remain scarce, and available rental assistance programs, such as Section 8, fall short of meeting the community's needs.

Availability of services targeted to homeless persons and persons with HIV, and mainstream services

Table 52- Homelessness Prevention Services Summary

Homelessness Prevention Services	Available in the Community	Targeted to Homelessness	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	
Mortgage Assistance	X		X
Rental Assistance	X	X	X
Utilities Assistance	X		X

Street Outreach Services			
Law Enforcement	X	X	
Mobile Clinics			
Other Street Outreach Services	X	X	X
Supportive Services			
Alcohol & Drug Abuse	X	X	
Child Care	X		
Education	X		X
Employment and Employment Training	X		
Healthcare	X	X	X
HIV/AIDS	X		X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	X
Other			
Food	X	X	X

DESCRIBE THE EXTENT TO WHICH SERVICES TARGETED TO HOMELESS PERSON AND PERSONS WITH HIV AND MAINSTREAM SERVICES, SUCH AS HEALTH, MENTAL HEALTH AND EMPLOYMENT SERVICES ARE MADE AVAILABLE TO AND USED BY HOMELESS PERSONS (PARTICULARLY CHRONICALLY HOMELESS INDIVIDUALS AND FAMILIES, FAMILIES WITH CHILDREN, VETERANS AND THEIR FAMILIES, AND UNACCOMPANIED YOUTH) AND PERSONS WITH HIV WITHIN THE JURISDICTION

Local service providers are actively supporting homeless and special needs populations throughout the area. While some organizations have specialized missions, others offer a broad range of services, including healthcare, food assistance, counseling, job training, and mental health support. Although many of these providers prioritize low-income individuals, several agencies extend their services to all residents in need, regardless of income level.

DESCRIBE THE STRENGTHS AND GAPS OF THE SERVICE DELIVERY SYSTEM FOR SPECIAL NEEDS POPULATION AND PERSONS EXPERIENCING HOMELESSNESS, INCLUDING, BUT NOT LIMITED TO, THE SERVICES LISTED ABOVE

The City of Watsonville's service delivery system for individuals experiencing homelessness and those with special needs demonstrates key strengths but also faces several critical challenges. The City partners with local organizations, such as the Community Action Board (CAB) and the Housing for Health Partnership, to offer essential services, including housing navigation, rental assistance, and employment support

through programs like Watsonville Works. A notable initiative currently underway is the development of 34 tiny homes at Westview Presbyterian Church, designed to house individuals living along the Pajaro River levee temporarily. This project represents a collaborative effort between the City of Watsonville, Santa Cruz County, and Monterey County.

Despite these efforts, the City faces limitations due to the absence of a dedicated homelessness department and a smaller staff capacity compared to neighboring jurisdictions. These constraints reduce the City's ability to manage and coordinate services effectively. While behavioral health and substance use treatment services are available, they are frequently overextended, resulting in delayed access for those in need. Additionally, the lack of a centralized system for service coordination contributes to fragmented care, making it difficult for individuals to navigate available resources.

To close these gaps, the City will need to invest in infrastructure, expand behavioral health and substance use services, and strengthen service integration to ensure a more effective and accessible support system for Watsonville's homeless and special needs populations.

PROVIDE A SUMMARY OF THE STRATEGY FOR OVERCOMING GAPS IN THE INSTITUTIONAL STRUCTURE AND SERVICE DELIVERY SYSTEM FOR CARRYING OUT A STRATEGY TO ADDRESS PRIORITY NEEDS

The City of Watsonville will continue to collaborate with local, state, federal, and nonprofit partners to strengthen and expand its institutional structure and service delivery system. These efforts aim to reach and support at-risk populations more effectively. Additionally, the City remains committed to supporting the local nonprofit sector and advancing economic development initiatives, with a focus on creating well-paying jobs for the community.

SP-45 GOALS SUMMARY – 91.215(A)(4)

GOALS SUMMARY INFORMATION

Table 53- Goals Summary

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2025	2029	Affordable Housing		Affordable Housing	CDBG: \$225,000	Rental units rehabilitated: 10 Household Housing Unit Homeowner Housing Rehabilitated : 10 Household Housing Unit Housing Code Enforcement/ Foreclosed Property Care: 500 Household Housing Unit
2	Economic Development	2025	2029	Non-Housing Community Development		Economic Development	CDBG: \$50,000	Businesses assisted: 50 Businesses Assisted
3	Public Services	2025	2029	Public Services		Public Services	CDBG: \$98,220	Public service activities other than Low/Moderate Income Housing Benefit: 350 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Public Facilities	2025	2029	Public Facilities		Public Facilities	CDBG: \$200,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 7320 Persons Assisted

Goal Descriptions

1	Goal Name	Affordable Housing
	Goal Description	Affordable Housing, Rehabilitation, and Code Enforcement: Support safe, affordable housing for low- to moderate-income households through preservation, rehabilitation programs, and strengthened code enforcement to improve housing conditions and neighborhood safety.
2	Goal Name	Economic Development
	Goal Description	Microenterprise Business Technical Assistance: Support economic development by providing resources and guidance to microenterprises, with a focus on expanding opportunities for low- and moderate-income individuals. Promote the revitalization of downtown and commercial/industrial areas through improvement programs that enhance both economic activity and the surrounding housing stock.
3	Goal Name	Public Services
	Goal Description	Youth Center Staffing: Enhance public safety and living environments by supporting crime prevention efforts and expanding supportive services for youth, individuals with special needs, those experiencing homelessness, and low- to moderate-income households.
4	Goal Name	Public Facilities
	Goal Description	Enhance the community's image and living conditions by improving infrastructure and park facilities that meet the needs of low- and moderate-income residents, including continuous upgrades through public facility rehabilitation and infrastructure reconstruction.

ESTIMATE THE NUMBER OF EXTREMELY LOW-INCOME, LOW-INCOME, AND MODERATE-INCOME FAMILIES TO WHOM THE JURISDICTION WILL PROVIDE AFFORDABLE HOUSING AS DEFINED BY HOME 91.315(B)(2)

During the 5-year plan, the City estimates that it will assist 10 extremely low, 50 low and 20 moderate income households through its existing housing programs.

SP-50 PUBLIC HOUSING ACCESSIBILITY AND INVOLVEMENT – 91.215(C)

NEED TO INCREASE THE NUMBER OF ACCESSIBLE UNITS (IF REQUIRED BY A SECTION 504 VOLUNTARY COMPLIANCE AGREEMENT)

The Housing Authority of the County of Santa Cruz (HACSC) is not currently mandated to increase the number of accessible units. It is not currently operating under a Section 504 Voluntary Compliance Agreement.

ACTIVITIES TO INCREASE RESIDENT INVOLVEMENT

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

IS THE PUBLIC HOUSING AGENCY DESIGNATED AS TROUBLED UNDER 24 CFR PART 902?

The HACSC is not designated as troubled under 24 CFR part 902.

PLAN TO REMOVE THE 'TROUBLED' DESIGNATION

Not applicable. The Housing Authority of the County of Santa Cruz is designated as a High Performer for both its Housing Choice Vouchers and Low-Income Public Housing programs.

SP-55 BARRIERS TO AFFORDABLE HOUSING – 91.215(H)

BARRIERS TO AFFORDABLE HOUSING

The City of Watsonville faces a range of barriers that constrain the development and preservation of affordable housing. These include market conditions, limited land availability, environmental constraints, regulatory challenges, and funding limitations.

Watsonville is in a region with high housing costs, which significantly impacts affordability. Development expenses—driven by land costs, labor, construction materials, and environmental mitigation—are reflected in both home prices and rents, making it difficult to meet local housing demand. The city is also physically constrained, surrounded by wetlands, sloughs, the Pajaro River, and protected agricultural lands. These environmental features, along with flood and geologic hazards, further limit feasible development sites and increase construction costs.

Government policies and regulations—such as zoning, development standards, permitting procedures, and impact fees—can also present challenges. While these measures are necessary to ensure public health, safety, and infrastructure maintenance, they can add to development timelines and expenses, particularly for affordable housing projects.

The land supply within the city limits is limited. Although this is mainly due to land use controls at the county level, Watsonville continues to pursue infill development strategies and is evaluating updates to its zoning and land use policies to support greater density along transit corridors.

Access to mortgage financing is another barrier. Many low-income residents are unable to secure loans for home purchases or improvements without public assistance. Additionally, local housing efforts have been significantly impacted by the loss of Redevelopment Agency (RDA) funding, which had previously been a vital source of support for affordable housing and infrastructure improvements.

Budgetary constraints at all levels of government, including those imposed by Proposition 13, further reduce the availability of funding for affordable housing and related services. The combined effect of these barriers contributes to higher housing costs, overcrowding, and an increasing number of unmet housing needs in Watsonville.

STRATEGY TO REMOVE OR AMELIORATE THE BARRIERS TO AFFORDABLE HOUSING

The City of Watsonville has implemented several long-term strategies to reduce barriers to affordable housing development and preservation. A key tool is the City's Inclusionary Housing Ordinance, initially adopted in 1991 and updated in 2001. This ordinance requires developers to provide a percentage of units in new housing developments at affordable rents or sale prices for a period of 45 to 55 years. Recent updates removed the limitation that only rental developments receiving subsidies were subject to the

ordinance, expanding its impact. For smaller developments (fewer than seven units), developers may pay an in-lieu fee, which the City reinvests in the development, acquisition, rehabilitation, and preservation of affordable housing units.

The City also actively pursues state and federal funding sources, including PLHA, HOME and CalHome grants, to support affordable housing and community development. These funds help sustain critical programs such as the First-Time Homebuyer Program and Housing Rehabilitation Program, which provide financial assistance to low-income households for home purchases or necessary repairs.

To address land constraints and development feasibility, the City is pursuing infill development strategies and exploring updates to its zoning code to allow higher residential densities along transit corridors.

Recognizing its limited financial capacity, the City supplements direct assistance with policy-based incentives to support housing development. These include fee deferments, density bonuses, a streamlined permit process, and flexible development standards, all designed to reduce project costs and timelines.

Barriers to housing are also regularly reviewed and addressed during updates to the Housing Element, Zoning Code, and related development policies, ensuring that local regulations evolve to meet changing housing needs and state requirements.

Together, these efforts reflect Watsonville's commitment to increasing affordable housing opportunities and removing barriers that hinder housing access and production for low- and moderate-income residents.

SP-60 HOMELESSNESS STRATEGY – 91.215(D)

REACHING OUT TO HOMELESS PERSONS (ESPECIALLY UNSHELTERED PERSONS) AND ASSESSING THEIR INDIVIDUAL NEEDS

Preventing and ending homelessness is a HUD priority nationally, and locally the City of Watsonville has partnered with many stakeholders in Santa Cruz County including policy makers, providers, funders, advocates, people with experience of homelessness and community members to create the Santa Cruz Community Strategic Plan to Prevent, Reduce, and Eventually End Homelessness. This local strategy includes eight priorities:

- Transforming the Crisis Response System
- Increasing Access to Permanent Housing
- Integrating Systems and Community Support Ending Chronic and other Adult Homelessness Ending Family Homelessness Addressing Needs in South County (Watsonville)Initiating a Response to Youth and Young Adult Homelessness Ending Veteran Homelessness

The plan also addresses the detailed achievement of the prior ten-year plan: Housing, Health, and Supportive Services.

ADDRESSING THE EMERGENCY AND TRANSITIONAL HOUSING NEEDS OF HOMELESS PERSONS

Our ultimate solution to ending homelessness in Santa Cruz County is providing permanent housing that is closely bundled with supportive services. The most immediate need is housing. Other services should include, but not be limited to multi-lingual trauma-informed case managers, benefits assistance, job-ready placements, community outreach and education, and linkage to the whole network of programs such as health treatment, including mental health, transitions for those previously incarcerated, legal aid, transportation, VA services, and employment opportunities.

Part of the strategy for reducing chronic homelessness in the area involves offering property owners incentives to convert more rental properties from transitional housing to subsidized housing. A key element of this strategy is to educate more property owners about the fact that rent is guaranteed each month on the properties, and tenants are provided with additional social services, including budgeting assistance. By increasing the amount of subsidized housing available, it will reduce the average length of time individuals are homeless, decrease the likelihood of returning to homelessness, decrease the number of families and individuals experiencing homelessness, and improve the employment rate and income of families and individuals who are homeless.

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.

In recent years, the high cost of housing has placed an increasingly burdensome financial strain on families in Watsonville. As moderate and lower-income families increasingly can no longer afford the median-priced home, market conditions have led to a higher prevalence of overpayment, overcrowding, and substandard living conditions. Of all family households, single parents with children and large families are disproportionately impacted. To meet the unique housing needs of the disabled, the City offers and participates in various programs. Through the County Housing Authority, households with disabilities may receive rental assistance to help them afford housing in the community.

According to the 2024 point-in-time (PIT) study, the number of veterans experiencing homelessness decreased by 55% when compared to 2023. Many community partners, such as the HUD–Veteran Administration Supportive Housing (VASH) and the Supportive Services for Veteran Families (SSVF) programs, will work together for this community-wide, collaborative approach to end veteran homelessness in Santa Cruz County.

While the City of Watsonville recognizes all the needs in our local community, severe funding limitations make it impossible to address every need for assistance.

Some housing counseling is available in the Santa Cruz County jurisdiction by way of Families in Transition, Pajaro Valley Shelter Services, Housing Authority of Santa Cruz County and The Community Action Board. In addition, the City contracts with the Watsonville Law Center and Neighborhood Services of Silicon Valley to provide homebuyer education classes to potential homebuyers.

The Watsonville Law Center and the California Rural Legal Assistance Center both offer free or sliding scale landlord tenant dispute counseling.

Currently there is not a mechanism in place that tracks affordable housing complexes that may have vacancies but with the currently proposed coordinated entry system, this should become a reality in the County. However, the City does publish a list of affordable housing complexes located in the City limits.

HELP LOW-INCOME INDIVIDUALS AND FAMILIES AVOID BECOMING HOMELESS, ESPECIALLY EXTREMELY LOW-INCOME INDIVIDUALS AND FAMILIES WHO ARE LIKELY TO BECOME

HOMELESS AFTER BEING DISCHARGED FROM A PUBLICLY FUNDED INSTITUTION OR SYSTEM OF CARE, OR WHO ARE RECEIVING ASSISTANCE FROM PUBLIC AND PRIVATE AGENCIES THAT ADDRESS HOUSING, HEALTH, SOCIAL SERVICES, EMPLOYMENT, EDUCATION OR YOUTH NEEDS

The limited number of affordable housing in this area puts Watsonville and the Pajaro Valley way behind the curve of having an adequate supply. The County Housing Authority is not even taking names for the waiting list because it is so long at this time. We are moving towards a coordinated entry system that would assist in reporting when a unit becomes available in local affordable housing complexes but at this time it is not yet been established. We do have a local partnership with the Watsonville Law Center that offers landlord-tenant mediation for those in need of that service.

SP-65 LEAD-BASED PAINT HAZARDS – 91.215(I)

ACTIONS TO ADDRESS LBP HAZARDS AND INCREASE ACCESS TO HOUSING WITHOUT LBP HAZARDS

California has implemented legislation to combat childhood lead poisoning, creating the Childhood Lead Poisoning Prevention Branch (CLPPB) under the California Department of Public Health (CDPH). The Santa Cruz County Health Services Agency (HSA) operates the Childhood Lead Poisoning Prevention Program (CLPPP), which provides a comprehensive approach to mitigating lead exposure risks.

As of 2024, CDPH's updated lead testing data shows that childhood lead exposure rates in Santa Cruz County remain low, with fewer than 0.9% of children under six years old testing with elevated blood lead levels (5+ micrograms per deciliter, µg/dL), reflecting statewide progress in reducing lead exposure. These results are a testament to ongoing lead prevention efforts at both the local and state levels.

The City of Watsonville offers a Housing Rehabilitation Program that provides financial assistance to low-income homeowners and landlords who rent to low-income tenants, enabling them to make necessary repairs to their homes. This program includes lead-based paint testing and remediation for homes built before 1978, with funding provided as a grant to the homeowner. Contractors working under this program must hold EPA Lead-Safe Certification and adhere to safe work practices when handling homes built before 1978.

Furthermore, homes purchased through Watsonville's First-Time Homebuyer or Inclusionary Housing Programs are inspected for lead hazards as part of the application process. Any identified lead-based paint hazards must be addressed before funding approval or purchase can be proceeded with. Statewide policies are also evolving to further minimize lead exposure risks, especially in low-income and rental housing, through improved monitoring and enforcement strategies.

HOW ARE THE ACTIONS LISTED ABOVE RELATED TO THE EXTENT OF LEAD POISONING AND HAZARDS?

Over 55% of the housing units in Watsonville were built before 1980 and are home to families with children. As part of the City's Housing Rehabilitation Program, lead-based paint testing and abatement will continue to be a priority. Homes built before 1978, purchased through the City's First-Time Homebuyer Program or Inclusionary Housing Program, will continue to be inspected for lead hazards, with abatement required as a condition for financial assistance or purchase approval.

Additionally, the City will maintain close collaboration with the Santa Cruz County Health Department to address and resolve any suspected incidents involving lead-based paint.

HOW ARE THE ACTIONS LISTED ABOVE INTEGRATED INTO HOUSING POLICIES AND PROCEDURES?

The City of Watsonville's Housing Program Guidelines include specific requirements for lead-based paint, including its identification, testing, and abatement. Over the next five years, the City will continue its efforts to ensure families have access to safer, healthier homes while also reducing the long-term risks associated with lead exposure.

SP-70 ANTI-POVERTY STRATEGY – 91.215(J)

JURISDICTION GOALS, PROGRAMS AND POLICIES FOR REDUCING THE NUMBER OF POVERTY-LEVEL FAMILIES

Watsonville has three primary approaches to reducing poverty:

- 1) Improving the education and skill level of the workforce
- 2) Expanding job opportunities through economic development
- 3) Improving and expanding affordable housing

This is accomplished by coordinating resources with other agencies and supporting non-profits that serve low-income families and individuals, as well as adopting land use policies that balance job creation and housing needs.

HOW ARE THE JURISDICTION POVERTY REDUCING GOALS, PROGRAMS, AND POLICIES COORDINATED WITH THIS AFFORDABLE HOUSING PLAN

In addition to implementing land use policies that help balance jobs and housing, the City of Watsonville has adopted an Inclusionary Housing Ordinance, which provides affordable housing options for low- to moderate-income individuals and families. The Ordinance requires developers to sell or rent a percentage of new housing units to moderate-income households at an affordable price or pay an in-lieu fee. Only rental developments that receive some form of subsidy are subject to the Ordinance. These funds are used to help support affordable housing through the development, acquisition, rehabilitation, and preservation of new and existing units.

Watsonville has an Economic Development program that utilizes strategies of business retention, expansion, attraction, and economic gardening. The economic development efforts are coordinated with the Santa Cruz County CEDS, and staff participate in quarterly regional coordination meetings. Staff in Economic Development also work closely with the local school district, several charter schools, a local Community Development Corporation, the local Small Business Development Center (SBDC), and the Workforce Investment Board to provide services, including workforce development, business incubation and acceleration, STEM programs for youth, and business planning assistance.

Watsonville also offers First-Time Homebuyer and Housing Rehabilitation Programs, which utilize multiple funding sources, including PLHA, HOME, CDBG, CalHome, and Inclusionary Housing in-lieu fees. These Programs provide gap financing to make it more affordable for low-income

individuals to purchase a home and financial/technical assistance to low-income homeowners or homeowners who rent to low-income households to make repairs to an existing home.

The City's Code Enforcement Program is another essential tool in preserving and maintaining the quality of existing housing. Inspection and monitoring efforts provided by an active code enforcement program ensure a safe and healthy environment, reducing the cost burdens that can impact affordability, especially when combined with other housing assistance programs. In conjunction with this program, the City has a Residential Relocation Assistance Ordinance, which is intended to assist tenants who may be involuntarily displaced due to unsafe conditions in rental housing.

Watsonville actively collaborates with other agencies and organizations to provide financial and non-financial services that address the community's needs.

SP-80 MONITORING – 91.230

DESCRIBE THE STANDARDS AND PROCEDURES THAT THE JURISDICTION WILL USE TO MONITOR ACTIVITIES CARRIED OUT IN FURTHERANCE OF THE PLAN AND WILL USE TO ENSURE LONG-TERM COMPLIANCE WITH REQUIREMENTS OF THE PROGRAMS INVOLVED, INCLUDING MINORITY BUSINESS OUTREACH AND THE COMPREHENSIVE PLANNING REQUIREMENTS

The City's Community Development Department (CDD) is responsible for managing the Community Development Block Grant Program, ensuring all funds are used in accordance with program guidelines. The responsibilities include administering and implementing CDBG projects, such as housing rehabilitation and property acquisition, as well as maintaining oversight of agreements with other City departments involved in CDBG activities. CDD staff also manage subrecipient contracts and work closely with the Finance Department to ensure CDBG funds are spent appropriately and on schedule.

INTERNAL MONITORING

The City closely monitors Community Development Block Grant (CDBG) projects to ensure they meet all program requirements. Community Development Department (CDD) staff maintain detailed documentation for each activity, confirming CDBG eligibility, National Objective compliance, and adherence to NEPA standards. They work closely with other City departments involved in CDBG projects to ensure all requirements are clearly understood and met. Before any CDBG fund drawdowns are approved, CDD staff review all expenditures for compliance and provide final authorization.

CDD is also responsible for ensuring the timely expenditure of CDBG funds, starting with the development of the annual Action Plan. They accurately estimate anticipated program income and assess proposed activities for readiness and feasibility of timely implementation. Throughout the year, CDD staff continuously track project timelines, monitoring the progress of all CDBG activities to spot potential delays. A comprehensive mid-year review assesses the status of all projects. If progress is slow or unexpected program income arises, the City may propose additional projects through an Action Plan Amendment.

SUBRECIPIENT MONITORING

CDBG subrecipients will be monitored annually to ensure their compliance with all regulations and requirements governing their administrative, financial and programmatic operations, and to verify achievement of their performance objectives within schedule and budget. The objectives of the monitoring review are to:

- Evaluate subrecipient accomplishments and achievements
- Determine areas of non-compliance
- Assist in resolving compliance problems
- Strengthening channels of communication between the City and the subrecipient

At the beginning of each program year, CDD staff will evaluate each subrecipient for classification as a High Risk Subrecipient (per 24CFR 85.12) using the following criteria:

- Is the subrecipient new to CDBG?
- Is there high turnover in key staff positions?
- Are there past compliance or performance problems?
- Are activities high risk (acquisition, housing, economic development)?
- Are there multiple CDBG-funded activities for the first time?

Subrecipients classified as High Risk will be scheduled for more frequent monitoring.

2025-2026 ACTION PLAN

AP-15 EXPECTED RESOURCES – 91.220(C)(1,2)

INTRODUCTION

The City of Watsonville anticipates receiving Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD) during the 2025-2029 Consolidated Plan period. For Program Year (PY) 2025-2026, the City has been allocated \$634,804 in CDBG funds. Additionally, the City plans to utilize \$48,891.18 in unspent funds from prior years, which resulted from projects that were either canceled or completed under budget. The City also anticipates receiving approximately \$20,000 annually in program income (PI), primarily from loan repayments related to housing rehabilitation. These resources, along with any remaining unspent funds from previous program years, will be incorporated into the current Action Plan to support eligible activities.

Anticipated Resources

Table 54- Expected Resources- Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation \$	Program Income \$	Prior Year Resources \$	Total: \$		
CDBG	Public - Federal	Acquisition Admin and Planning Economic Development Housing Public Services	634,804	20,000	48,897.18	703,701.18	2,539,216	This is the first year of the 5-year Consolidated Plan

EXPLAIN HOW FEDERAL FUNDS WILL LEVERAGE THOSE ADDITIONAL RESOURCES (PRIVATE, STATE AND LOCAL FUNDS), INCLUDING A DESCRIPTION OF HOW MATCHING REQUIREMENTS WILL BE SATISFIED

The Community Development Block Grant (CDBG) program does not require matching funds; however, applicants must provide detailed financial information in their proposals to demonstrate their ability to execute the proposed project or activity successfully. In Watsonville, the community's needs far exceed the available Community Development Block Grant (CDBG) resources. Therefore, the City combines CDBG

funds with other funding sources, such as state, federal, and local grants, private foundation support, capital improvement funds, general funds, and private donations of funds or services, to maximize the impact of its projects.

The City has completed a range of projects using this blended funding strategy. It continues to actively pursue additional grants and awards for initiatives that fall outside the scope of CDBG funding.

IF APPROPRIATE, DESCRIBE PUBLICLY OWNED LAND OR PROPERTY LOCATED WITHIN THE JURISDICTION THAT MAY BE USED TO ADDRESS THE NEEDS IDENTIFIED IN THE PLAN

At the time of this Consolidated Plan, the City does not anticipate utilizing publicly owned land or properties for land acquisition to achieve Community Development Block Grant (CDBG) goals. However, the City may consider improvements to existing public facilities and infrastructure as a means of supporting these goals.

DISCUSSION

In response to reduced resources, the City has prioritized the allocation of Community Development Block Grant (CDBG) funds to areas with the greatest identified needs. Community input has highlighted critical priorities, including infrastructure and facility improvements in low-income neighborhoods, such as enhancements to street and park accessibility, as well as the provision of essential public services for youth and seniors, code enforcement activities, and support for economic development initiatives. Additionally, during Fiscal Year 2024–2025, the City of Watsonville successfully repaid its Section 108 Loan, and as of this Consolidated Plan, no Section 108 funds remain outstanding.

AP-20 ANNUAL GOALS AND OBJECTIVES

Goals Summary Information

Table 55- Goals Summary

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2025	2026	Affordable Housing	Citywide	Affordable Housing	CDBG: \$225,000	Homeowner Housing Rehabilitated: 3 Household Housing Unit Housing Code Enforcement/Foreclosed Property Care: 100 Household Housing Unit
2	Economic Development	2025	2026	Non-Housing Community Development	Citywide	Economic Development	CDBG: \$50,000	Businesses assisted: 50 Businesses Assisted
3	Public Services	2025	2026	Public Services	Citywide	Public Services	CDBG: \$98,220	Public service activities other than Low/Moderate Income Housing Benefit: 350 Persons Assisted
4	Public Facilities	2025	2026	Public Facilities	Citywide	Public Facilities	CDBG: \$200,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 16832 Persons Assisted

Goal Descriptions

1	Goal Name	Affordable Housing
	Goal Description	Provide safe, decent, and affordable housing for extremely low- to moderate-income households by preserving and expanding the affordable housing stock. This includes supporting housing programs for individuals experiencing homelessness, such as emergency shelters, transitional housing, and permanent housing solutions, as well as efforts to prevent homelessness. Additionally, it aims to strengthen code enforcement efforts to ensure that housing quality and safety standards are consistently maintained.

2	Goal Name	Economic Development
	Goal Description	Microenterprise Business Technical Assistance. Support economic development by providing resources and guidance to microenterprises, with a focus on expanding opportunities for low- and moderate-income individuals. Promote the revitalization of downtown and commercial/industrial areas through improvement programs that enhance both economic activity and the surrounding housing stock.
3	Goal Name	Public Services
	Goal Description	Youth Center Staffing - Enhance public safety and suitable living environments by 1) Supporting crime prevention and code enforcement activities, increasing affordable housing opportunities, and 2) Increasing supportive services for people with special needs, homeless people, and low-income people and families.
4	Goal Name	Public Facilities
	Goal Description	Enhance the community's image and living conditions by improving infrastructure and park facilities that meet the needs of low- and moderate-income residents, including continuous upgrades through public facility rehabilitation and infrastructure reconstruction.

AP-35 PROJECTS – 91.220(D)

INTRODUCTION

The Five-Year Consolidated Plan outlines proposed strategies for spending the City’s CDBG funds to provide a suitable living environment by revitalizing low—to—moderate—income neighborhoods, assisting disadvantaged, low-income, and homeless individuals by providing adequate public facilities and services, and generating affordable housing opportunities. This annual plan focuses resources on affordable housing, economic development, public services, and public facilities.

PROJECTS

Table 56- Projects

#	Project Name
1	Youth Center Staffing
2	Code Enforcement
3	Micro-Enterprise Business Technical Assistance
4	Program Administration
5	Ramsay Park Playground Phase III
6	City of Watsonville Rehabilitation Program

DESCRIBE THE REASONS FOR ALLOCATION PRIORITIES AND ANY OBSTACLES TO ADDRESSING UNDERSERVED NEEDS

Below are outlined the priority needs identified in the City’s Five-Year Consolidated Plan, the corresponding local objectives, and the specific activities to be undertaken during the 2025 Program Year to address each need.

Affordable Housing

Several programs address the various local objectives of addressing the need for affordable housing in the city:

- 1) Housing Rehabilitation
- 2) Homeownership Opportunities
- 3) Residential Code Enforcement
- 4) Targeted Code Enforcement

Economic Development

- 1) Small Business / Micro-enterprise Business Technical Assistance
- 2) Entrepreneur Support

Public Services

- 1) Youth Services
 - a. Several ongoing programs under the police, parks, and community services departments address local objectives of providing positive alternatives for youth to prevent juvenile crime and gang violence.
 - b. Youth Programs, Parks, and Community Services:
 - i. *After-School Program* - This is an after-school program for middle and high school students. Each day, they receive homework assistance and a healthy snack. They also participate in sports, games, field trips, and arts and crafts activities.
 - ii. *Spring and Winter Break Day Camp*- A week-long day camp for youth ages 5 to 12 is held during the spring and winter breaks of the Pájaro Valley Unified School District. The full-day camp features a variety of fun activities, healthy snacks and lunches, and a trip to a local attraction. The camps are free for PVUSD students.
 - iii. *Camp W.O.W.*- Summer day camp for youth aged 5 to 12. The camp is comprised of eight (8) one-week sessions. Each session features a different theme and a trip to a destination related to the theme. All the activities offered during a session support the theme. Youth participate in a variety of sports, games, and arts and crafts activities. They are also served healthy snacks and a nutritious lunch. This camp is also made available free of cost to PVUSD students.
 - iv. *Recreational Youth Soccer Program*- The youth soccer program provides recreational and competitive opportunities for boys and girls aged 4 to 13. It features leagues in the spring and fall, helping youth develop team-building skills, learn positive sportsmanship, and boost self-esteem through soccer.
 - v. *Sports Camps*
 1. Skateboarding Camp: This week-long camp is for youth ages 6-13. It allows youth to learn to skateboard or advance their skateboarding skills.
 2. Two-Day Sports Camps: For youth ages 7-12. Through these two-day camps, participants learn the game for each respective sport. (Basketball Camp, Volleyball Camp, Flag Football Camp)
Multi-Sport camp: This camp is for youth aged 7-12. Participants are introduced to a variety of sports (baseball, flag football, and soccer) in a

fun and safe atmosphere.

- vi. *Basketball Programs: Participants learn the sport through drills and games.*
 - 1. Hoopster Tots: For youth ages 3-5
 - 2. Basketball: For youth ages 7-11
- vii. *Itty Bitty Sports Program: Geared towards youth ages 3-5 and consists of 4 one-week sessions per sport. Each session introduces participants to the fundamentals of the sport while providing a fun experience.*
- viii. *Environmental Science Workshop: Open to all ages, the workshop offers students a space to engage their hands, minds, and imaginations as they take charge of their education.*
- ix. *Youth Gymnastics Program - The gymnastics programs for youth ages 1 to 6 are designed to teach fundamental gymnastics skills. Emphasis is on developing motor skills, eye-hand coordination, and confidence.*
- x. *Summer Aquatic Lessons- The program consists of four, two-week swim lessons for children ages 6 months to adults, designed to teach participants how to swim and build the skills to stay safe in the water.*
- xi. *Special Interest Classes for Youth:*
 - 1. Youth Theater and Acting Classes: For youth ages 8 to 12. Participants will explore the magic of theater by developing their improvisational skills through engaging and creative dramatics.
 - 2. Cheer and Hip-Hop Dance: This class is for youth aged 6-15. Participants will learn the fundamentals, routines, and moves.
 - 3. Art Classes: For youth aged 5-15. Depending on the class, participants will explore painting, drawing, and more.
 - 4. Archery: For youth ages 7-12. Participants will explore the fundamentals of balance, hand-eye coordination, and agility, concentrating on proper form and safety in this weeklong class.

Public Facilities (Infrastructure)

Various public works projects enhance the city's infrastructure, including the reconstruction, rehabilitation, and/or addition of streets, sidewalks, and other types of infrastructure, as well as the removal of architectural barriers to accessibility for people with physical disabilities within public areas and pathways.

Homelessness and Special Needs

- 1. Special Housing Need
- 2. Transitional Housing Programs

The City addresses the needs of the homeless and citizens with special needs by ongoing support of local service agencies through the City's Social Service Grant Program. Additionally, the City participates in the Santa Cruz County-wide Continuum of Care strategy through financial and human resources contributions

to the Homeless Action Partnership (formerly the Santa Cruz County Continuum of Care Committee)

AP-50 GEOGRAPHIC DISTRIBUTION – 91.220(F)

DESCRIPTION OF THE GEOGRAPHIC AREAS OF THE ENTITLEMENT (INCLUDING AREAS OF LOW-INCOME AND MINORITY CONCENTRATION) WHERE ASSISTANCE WILL BE DIRECTED

The City will continue to utilize CDBG funds to support citywide initiatives that address the diverse needs of the community.

GEOGRAPHIC DISTRIBUTION

Table 57- Geographic Distribution

Target Area	Percentage of Funds
Citywide	100%

RATIONALE FOR THE PRIORITIES FOR ALLOCATING INVESTMENTS GEOGRAPHICALLY

Not applicable.

DISCUSSION

Not applicable.

AP-55 AFFORDABLE HOUSING – 91.220(G)

INTRODUCTION

The City currently administers First Time Homebuyer, Housing Rehabilitation, and Inclusionary Housing Programs, each aimed at advancing the community's affordable housing goals. These programs are funded through a combination of sources, including HOME, CDBG, CalHome, and Inclusionary Housing in-lieu fees.

Although direct supportive services within Watsonville are limited, the City remains committed to collaborating closely with the Continuum of Care and other regional agencies that provide essential supportive services to residents in need.

Table 58- One-Year Goals for Affordable Housing by Support Requirement

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

Table 59- One-Year Goals for Affordable Housing by Support Type

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

DISCUSSION

Rental assistance in Watsonville is provided primarily through the Housing Authority of the County of Santa Cruz. However, limitations in local, state, and federal funding have constrained the City's ability to fully achieve specific goals, such as the development and acquisition of affordable housing. As a result, Watsonville relies heavily on private developers, nonprofit organizations, public housing authorities, and social service agencies to provide the majority of affordable housing. The City's role is primarily to support these efforts through its development review and approval processes.

AP-60 PUBLIC HOUSING – 91.220(H)

INTRODUCTION

There are eight public housing complexes located within the City of Watsonville, all of which are owned and managed by the Housing Authority of the County of Santa Cruz (HACSC). In addition to managing these properties, HACSC administers several housing assistance programs available to Watsonville residents, including the Housing Choice Voucher Program (formerly known as Section 8) and the Mortgage Credit Certificate Program. HACSC also offers Project-Based Vouchers (PBVs), though currently, the Pippin Apartments is the only property within Watsonville approved to utilize these vouchers. The Housing Authority maintains its policies and procedures for inspecting and maintaining both its owned properties and units occupied by voucher holders to ensure compliance with housing quality standards.

ACTIONS PLANNED DURING THE NEXT YEAR TO ADDRESS THE NEEDS TO PUBLIC HOUSING

The Housing Authority of the County of Santa Cruz (HACSC) issues a Request for Proposals (RFP) for Project-Based Vouchers (PBVs) annually, providing local developers and housing providers with the opportunity to request an allocation of PBVs for eligible housing projects. While the U.S. Department of Housing and Urban Development (HUD) permits housing authorities to allocate up to 20% of their total Housing Choice Voucher program funding for PBVs, HACSC generally prioritizes maintaining tenant mobility and housing choice. The agency believes that, in most cases, public interests are best served when families receiving rental assistance can select housing of their choice.

That said, HACSC recognizes the challenges voucher holders face in tight rental markets, where locating an available, affordable unit can be difficult. In such contexts, project-based units serve as a valuable complement to tenant-based vouchers by increasing the overall pool of affordable housing options. While the Housing Authority accepts PBV applications on a rolling basis, awards are not guaranteed and are subject to the outcomes of the competitive annual RFP process.

ACTIONS TO ENCOURAGE PUBLIC HOUSING RESIDENTS TO BECOME MORE INVOLVED IN MANAGEMENT AND PARTICIPATE IN HOMEOWNERSHIP

The Housing Authority administers a Family Self-Sufficiency (FSS) program designed for low-income tenants of public housing and participants in the Housing Choice Voucher program. Through this initiative, participating families set individualized goals for self-sufficiency. As families work toward achieving these goals and their incomes increase, the Housing Authority deposits the corresponding increase in the family's rent portion into an escrow account on their behalf. Upon successfully reaching their self-sufficiency objectives, families receive the accumulated escrow funds, which some have utilized as a down payment toward homeownership. Additionally, public housing residents actively participate in a Resident Advisory Board, which convenes annually to review and provide input on proposed updates to the Housing

Authority's Agency Plan.

IF THE PHA IS DESIGNATED AS TROUBLED, DESCRIBE THE MANNER IN WHICH FINANCIAL ASSISTANCE WILL BE PROVIDED OR OTHER ASSISTANCE

Not applicable. The Housing Authority of the County of Santa Cruz is designated as a High Performer for both its Section 8 Housing Choice Voucher and Low-Income Public Housing programs.

DISCUSSION

In addition to the above actions, the Housing Authority of the County of Santa Cruz (HACSC) will continue to administer Housing Choice Vouchers and manage the existing public housing units in Watsonville. The City will actively support HACSC's efforts and pursue any available opportunities to facilitate the development of additional affordable housing within the community.

AP-65 HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES – 91.220(I)

INTRODUCTION

The City of Watsonville is an active participant in the Homeless Action Partnership (HAP). This broad-based, community-wide coalition meets bi-monthly to implement a Continuum of Care (CoC) strategy for addressing homelessness in Santa Cruz County.

HAP's vision is that all residents of Santa Cruz County will have access to stable housing and the necessary services to live with dignity and reach their full potential. Its mission is to develop and implement a coordinated system of housing and services aimed at preventing and ending homelessness across the county.

The CoC strategy is designed to organize and deliver a comprehensive array of housing and services to address the specific needs of homeless individuals as they transition from the streets to stable housing. This approach seeks to maximize self-sufficiency by providing tailored support to individuals and families at each stage of their journey.

The CoC strategy serves a diverse range of homeless subgroups, including:

- Families experiencing homelessness
- Chronically homeless individuals
- Those with serious mental illness
- Individuals struggling with substance abuse
- Veterans
- Persons living with HIV/AIDS
- Victims of domestic violence
- Unaccompanied youth

By addressing the varied needs of these groups, the CoC strategy aims to create lasting solutions for homelessness and improve the overall well-being of affected individuals.

DESCRIBE THE JURISDICTION'S ONE-YEAR GOALS AND ACTIONS FOR REDUCING AND ENDING HOMELESSNESS INCLUDING:

REACHING OUT TO HOMELESS PERSONS (ESPECIALLY UNSHELTERED PERSONS) AND ASSESSING THEIR INDIVIDUAL NEEDS

The City, in partnership with the CoC and local service providers, will continue targeted outreach to unsheltered individuals, particularly in high-impact areas such as the Pajaro River levee and downtown

Watsonville. Outreach teams will:

- Conduct coordinated engagement and assessment using the VI-SPDAT tool to evaluate vulnerability and prioritize housing placement.
- Work with the County Health Services Agency and nonprofits to deliver mobile behavioral health, medical care, and case management services.
- Connect individuals directly with the Coordinated Entry System to ensure streamlined access to shelter and housing programs.

The new Recurso de Fuerza (DignityMoves) Navigation Center, scheduled to open in late 2025, will serve as a central access point for comprehensive assessment and service navigation.

ADDRESSING THE EMERGENCY SHELTER AND TRANSITIONAL HOUSING NEEDS OF HOMELESS PERSONS

The Continuum of Care (CoC) is committed to reducing the time individuals and families spend in emergency and transitional shelters, with the goal of transitioning them into stable, permanent housing as quickly as possible. This includes proactive discharge planning to prevent homelessness among individuals transitioning out of institutions such as hospitals, jails, or foster care. Emergency and transitional shelters are viewed as temporary solutions until permanent housing becomes available.

The City recognizes a critical need for additional shelter capacity and has committed significant resources to expanding local shelter options:

- Recurso de Fuerza Navigation Center (34 private units): A low-barrier, 24/7 facility with integrated services including meals, case management, hygiene, and housing navigation. The center aims to transition at least 60% of clients into permanent housing within six months.
- Continued support of seasonal emergency shelters, operated by People First of Santa Cruz County, offering immediate relief during severe weather events.
- Transitional housing programs, operated by Pajaro Valley Shelter Services, provide up to two years of supportive housing for families, including survivors of domestic violence, emancipating foster youth, and single-parent households.

The City is working to ensure that shelters provide inclusive, trauma-informed environments and are responsive to the unique needs of women, families, veterans, LGBTQ+ individuals, and people with disabilities.

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, through partnerships with CoC members and housing providers, supports the transition to permanent housing through:

- Housing First strategies with minimal entry barriers.
- Targeted use of rapid rehousing funds for families, youth, and individuals newly experiencing homelessness.
- Expansion of permanent supportive housing (PSH) for chronically homeless individuals, including projects like Nuevo Sol and MATCH, which serve persons with serious mental illness and substance use disorders.
- Advocating for local Housing Choice Voucher preferences for individuals and families experiencing homelessness.
- Ensuring all programs utilize Coordinated Entry to prioritize those with the highest needs for permanent housing opportunities.

HELPING LOW-INCOME INDIVIDUALS AND FAMILIES AVOID BECOMING HOMELESS, ESPECIALLY EXTREMELY LOW-INCOME INDIVIDUALS AND FAMILIES AND THOSE WHO ARE: BEING DISCHARGED FROM PUBLICLY FUNDED INSTITUTIONS AND SYSTEMS OF CARE (SUCH AS HEALTH CARE FACILITIES, MENTAL HEALTH FACILITIES, FOSTER CARE AND OTHER YOUTH FACILITIES, AND CORRECTIONS PROGRAMS AND INSTITUTIONS); OR, RECEIVING ASSISTANCE FROM PUBLIC OR PRIVATE AGENCIES THAT ADDRESS HOUSING, HEALTH, SOCIAL SERVICES, EMPLOYMENT, EDUCATION, OR YOUTH NEEDS

The City is committed to proactive homelessness prevention through a multi-faceted strategy that addresses the root causes of housing instability. Key efforts will include:

- Partnering with local service providers to deliver critical supports such as rental and utility assistance, eviction prevention services, and landlord mediation—helping residents remain safely housed and avoid entering the homeless services system.
- Working in collaboration with the County Office of Education to ensure that families with school-aged children at risk of homelessness are connected to the Students in Transition Program, which provides educational stability and supportive services.
- Forming a countywide family homelessness steering committee, composed of key service providers and stakeholders, to identify households at highest risk and develop coordinated, data-driven intervention strategies tailored to the needs of vulnerable families.
- Strengthening cross-sector coordination with public institutions—including hospitals, correctional facilities, and behavioral health systems—to ensure discharge planning protocols are in place that reduce the likelihood of individuals exiting into homelessness.

DISCUSSION

Watsonville's one-year strategy focuses on expanding emergency shelter capacity, facilitating transitions to permanent housing, and preventing homelessness through targeted interventions and coordinated, system-wide efforts. These actions represent a comprehensive and collaborative approach that aligns

with the Continuum of Care (CoC) priorities and nationally recognized best practices.

The City of Watsonville will continue to actively engage in the Santa Cruz County CoC to identify and implement effective strategies for assisting individuals and families experiencing homelessness, particularly those who are chronically homeless, veterans and their families, families with children, and unaccompanied youth. A combination of federal, state, and local funding will be leveraged to support rapid rehousing and housing stabilization efforts for these priority populations. In partnership with local service providers, housing authorities, and the U.S. Department of Veterans Affairs, the City will work to expand access to housing resources and support services across Santa Cruz County.

AP-75 BARRIERS TO AFFORDABLE HOUSING – 91.220(J)

INTRODUCTION:

Several factors can impact the pace and feasibility of development, particularly for affordable housing. These include market conditions, environmental and physical site constraints, zoning and building regulations, as well as fiscal limitations at the local, state, and federal levels. Collectively, these barriers can increase development costs, prolong timelines, and reduce the overall supply of affordable units.

The City of Watsonville remains committed to identifying and implementing strategies to alleviate these constraints, thereby better meeting the housing and service needs of the community. As previously discussed, and further detailed below, the City continues to pursue policy improvements, regional collaboration, and resource expansion to promote equitable and sustainable development.

ACTIONS IT PLANNED TO REMOVE OR AMELIORATE THE NEGATIVE EFFECTS OF PUBLIC POLICIES THAT SERVE AS BARRIERS TO AFFORDABLE HOUSING SUCH AS LAND USE CONTROLS, TAX POLICIES AFFECTING LAND, ZONING ORDINANCES, BUILDING CODES, FEES AND CHARGES, GROWTH LIMITATIONS, AND POLICIES AFFECTING THE RETURN ON RESIDENTIAL INVESTMENT

The City of Watsonville acknowledges the barriers to affordable housing previously discussed, and these challenges are actively addressed through the City's recently certified Housing Element and General Plan, which is currently undergoing updates. The City remains committed to offering critical programs such as the First-Time Homebuyer and Housing Rehabilitation Programs, which are designed to assist low- and moderate-income households with homeownership and home maintenance.

Furthermore, Watsonville will continue to operate the Inclusionary Housing Program, which plays a vital role in both preserving and expanding the supply of affordable housing. As part of its ongoing efforts to maintain neighborhood stability and prevent deterioration, the City will continue to carry out code enforcement activities aimed at eliminating blight, which can depress property values, deter investment, and negatively impact the quality of life within the community.

In addition to local efforts, Watsonville remains proactive in seeking out both financial and non-financial resources to support affordable housing initiatives. The City will continue to pursue available funding for affordable housing programs and development costs, collaborating with developers, non-profit organizations, and governmental agencies.

Watsonville is committed to ongoing regional coordination and will continue to actively participate in partnerships and policy development with agencies and organizations that influence housing and quality

of life in the region.

DISCUSSION:

Watsonville continues to face significant budgetary constraints, which are further compounded by decisions and policies at the state and national levels. These limitations have reduced the funding available to address critical local housing needs, infrastructure improvements, and supportive services. As a result, the City has actively sought alternative methods to meet the community's housing demands.

Housing remains one of the City Council's top priorities, as outlined in the Council's Strategic Plan. Key goals include expanding quality housing opportunities, preserving existing affordable housing for Watsonville residents, and reviewing housing and land-use policies to maximize the city's development potential. Specific areas of focus are:

- Community education and outreach on housing opportunities.
- Expanding the supply of affordable and low-income rental housing.
- Promoting workforce housing to meet the needs of local employees.
- Increasing opportunities for homeownership assistance.

Despite these efforts, Watsonville continues to face several ongoing challenges in meeting local housing demands. These include the rising affordability crisis in northern Santa Cruz County, which drives increased demand for lower-cost housing in Watsonville. The growing market demand results in higher housing prices, leading to overpayment and overcrowding for many residents.

AP-85 OTHER ACTIONS – 91.220(K)

INTRODUCTION:

The greatest obstacle to addressing underserved needs is the lack of sufficient funding. Contributing factors include:

- Limited availability of funding from federal, state, and other sources.
- Scarcity of developable land, which constrains new housing and infrastructure development.
- High costs of housing and services in the area make it increasingly challenging to meet affordable housing needs.
- Reduced or stagnant funding from state and other sources due to ongoing shortfalls in state revenue

ACTIONS PLANNED TO ADDRESS OBSTACLES TO MEETING UNDERSERVED NEEDS

Many of the primary obstacles to meeting the needs of underserved communities in the City of Watsonville are systemic and fall outside the City's direct control. Among the most significant challenges are reductions in Federal and State funding, limited availability of developable land, and the high cost of housing and service provision. These factors severely limit the City's ability to meet growing needs across a range of priority areas, particularly in affordable housing and services for low- and moderate-income households.

Despite these challenges, the City remains committed to maximizing the impact of available resources. City staff consistently pursue opportunities to leverage local, State, and Federal funds through strategic partnerships, competitive grant applications, and by aligning funding with complementary initiatives. The City also continues to advocate for increased support at the State and Federal levels to sustain and expand critical programs.

The limited supply of developable land within City limits is primarily due to policies and land-use restrictions at the County level. To overcome these limitations, the City is implementing infill development strategies that utilize underutilized parcels, adaptive reuse opportunities, and zoning updates to support higher-density development where feasible.

Housing affordability remains a critical issue. The high cost of housing in Watsonville is driven in part by State and County-level growth constraints and market demand. These constraints limit new housing development, which in turn contributes to rising housing costs and increased housing insecurity for low-income residents. In response, the City is prioritizing efforts to streamline development processes, facilitate affordable housing projects, and support policies that improve the local housing supply.

Additionally, the City will continue to collaborate closely with local nonprofit housing developers, social

service organizations, and regional partners to expand resources for homeless individuals and families. These collaborative efforts aim to improve service coordination, increase access to emergency and permanent housing options, and promote stability for vulnerable populations.

ACTIONS PLANNED TO FOSTER AND MAINTAIN AFFORDABLE HOUSING

The City of Watsonville is committed to leveraging federal resources with State and local funds to maximize the impact of its affordable housing strategies. In addition to its ongoing participation in HUD programs such as the Community Development Block Grant (CDBG), the City actively seeks to develop new housing resources, support both non-profit and for-profit developers, and promote long-term housing affordability through direct assistance programs.

1. First-Time Homebuyer Program – This program helps income-eligible households achieve homeownership. The City provides low-interest loans to help close the affordability gap for low-income buyers. By reducing upfront costs such as down payments and closing fees, the program aims to increase homeownership rates among low-income households and stabilize neighborhoods through greater owner occupancy.
2. Rehabilitation Program - This program provides financial and technical assistance to income-qualified homeowners to address critical health, safety, and structural repairs. Assistance is also available to landlords who rent to low-income households, contingent on affordability controls such as rent restrictions and tenant protections. Eligible improvements include roofing, plumbing, electrical systems, windows, and other code compliance repairs.
3. Code Enforcement Program – This program plays a vital role in preserving the existing housing stock and maintaining the quality of neighborhoods. Through inspections and compliance efforts, the program ensures that housing conditions meet health and safety standards. This reduces the risk of displacement and supports affordability by preventing minor property issues from escalating into major rehabilitation needs. Code enforcement activities are particularly impactful when coordinated with housing assistance programs, enabling residents to remain in safe and stable housing.
4. Inclusionary Housing Program – The City of Watsonville’s Inclusionary Housing Program is a key local policy tool for increasing the supply of affordable housing. Under this program, new residential development of seven or more units is required to either provide a percentage of units on-site that are affordable to low-, moderate, or above-moderate-income households or pay an in-lieu fee that contributes to the City’s Affordable Housing fund. Income limits for the program are based on 70% of the Area Median Income (AMI). The in-lieu fees collected are used to support a range of affordable housing initiatives, including new construction, preservation, and rehabilitation efforts.

The City will continue to proactively identify opportunities to support affordable housing developers, nonprofits, and other community partners in preserving and constructing housing that meets diverse community needs. This includes identifying underutilized sites for infill development, seeking external

funding sources, and coordinating efforts with regional housing strategies.

ACTIONS PLANNED TO REDUCE LEAD-BASED PAINT HAZARDS

The City of Watsonville is committed to ensuring compliance with all applicable Federal lead-based paint (LBP) regulations under 24 CFR Part 35 to protect the health and safety of residents, particularly children under the age of six.

All applicants assisted through the City's Housing Rehabilitation Program will receive educational materials about the hazards of lead-based paint. For homes constructed before 1978, a lead-based paint inspection and risk assessment will be conducted. If any hazards are identified, appropriate abatement or interim controls will be implemented in accordance with HUD and EPA regulations. All contractors participating in the program must hold EPA Lead-Safe Certification and must use lead-safe work practices when performing rehabilitation work on pre-1978 units.

Additionally, properties acquired through the First-Time Homebuyer Program or the Inclusionary Housing Program will be inspected as part of the program's eligibility and approval process. If lead-based paint hazards are found during the inspection, they must be remediated or abated before program funds can be approved or disbursed.

These procedures ensure that all federally assisted housing activities funded by the City are compliant with lead-safe requirements, contributing to healthier and safer living environments for Watsonville residents.

ACTIONS PLANNED TO REDUCE THE NUMBER OF POVERTY-LEVEL FAMILIES

The City of Watsonville will continue to focus its efforts and resources on reducing the number of families living in poverty by prioritizing the preservation and development of safe, decent, and affordable housing. The City recognizes that stable housing is foundational to economic mobility and family well-being.

In addition to housing strategies, the City supports a range of public service programs that directly address the needs of low-income households. These services are funded through a combination of Community Development Block Grant (CDBG) funds and the City's General Fund. They are designed to enhance the quality of life for residents experiencing or at risk of poverty.

Funded programs provide critical services, including access to food, medical care, mental health support, youth services, and other forms of basic assistance. By addressing these essential needs, the City seeks to support low-income families in achieving greater stability, self-sufficiency, and upward mobility.

The City will continue to collaborate with non-profit organizations, service providers, and other regional partners to coordinate anti-poverty initiatives and ensure that limited resources are used efficiently and

equitably.

ACTIONS PLANNED TO DEVELOP INSTITUTIONAL STRUCTURE

One of the key institutional gaps identified in the City of Watsonville is the limited availability of essential services within city boundaries, requiring many residents—particularly low-income and transportation-challenged populations—to travel to neighboring communities to access critical programs such as mental health care, substance use treatment, legal assistance, or specialized case management.

To address this gap, the City continues to prioritize local service delivery and strengthen partnerships with agencies that provide direct services within the Watsonville area. Through its Social Service Grant Program, the City provides financial support to nonprofit agencies that offer services improving the well-being of low- and moderate-income residents, particularly those residing within the city limits.

As part of its ongoing commitment to ensuring that funded services are accessible to Watsonville residents, the City has implemented a "Focus Watsonville" Addendum as a required component of the Social Service Grant application. This addendum is designed to assess the applicant's local presence and capacity to deliver services in Watsonville. Applicants are evaluated based on the following:

- Will the grant funding be used specifically for Watsonville residents?
- Do the program/services align with the City Council's Strategic Plan priorities?
- How many Watsonville residents does the organization serve annually?
- Does the organization operate a physical office or service Watsonville?
- The number of staff in the organization
- Describe the need that your organization will address in Watsonville
- Share how your services would impact Watsonville residents?
- How will your organization utilize the funding provided by the City of Watsonville?

This targeted approach ensures that grant funding prioritizes providers who are embedded in the community, are linguistically and culturally competent, and can deliver measurable, meaningful outcomes for Watsonville residents.

In addition to its local efforts, the City collaborates regionally through partnerships with the County of Santa Cruz, the local Continuum of Care (CoC), and neighboring jurisdictions to address broader systemic challenges such as homelessness, housing instability, and access to behavioral health services. The City also supports 2-1-1, a comprehensive referral service accessible via phone and online, which connects residents to a wide range of health, housing, and human service programs throughout the region.

Looking ahead, the City will continue to advocate for and pursue new State and Federal funding sources, including through the CoC and other housing support initiatives, support and strengthen the capacity of nonprofit partners to deliver direct services in Watsonville, deepen coordination with local and regional partners to ensure a more equitable distribution of services and promote inclusive, community-driven planning efforts to address institutional service gaps and increase access for historically underserved populations, including Spanish-speaking, Indigenous, and farmworker communities.

These combined efforts reflect the City's commitment to building a responsive, equitable, and effective

social services network that meets the evolving needs of Watsonville residents.

ACTIONS PLANNED TO ENHANCE COORDINATION BETWEEN PUBLIC AND PRIVATE HOUSING AND SOCIAL SERVICE AGENCIES

Fostering an environment of collaboration is a core priority for the City of Watsonville. The City is committed to supporting local agencies, regional jurisdictions, housing developers, and providers of supportive services through ongoing engagement, technical assistance, and active participation in interagency initiatives.

City staff regularly participate in boards, coalitions, meetings, and community events to ensure coordination on issues related to affordable housing, homelessness, and community development. These efforts help strengthen partnerships, align regional strategies, and facilitate the sharing of resources and best practices.

Watsonville will continue to pursue opportunities that promote and support affordable housing development by enhancing permitting and development procedures, offering direct support to developers and service providers, and maintaining open channels of communication with key stakeholders. By fostering a cooperative atmosphere, the City aims to enhance project outcomes and more effectively address the housing and service needs of its residents.

DISCUSSION:

The City of Watsonville remains committed to supporting housing and supportive service providers by leveraging all available local, state, and federal resources to meet the needs of residents and businesses. While the City faces ongoing obstacles, including limited funding, a scarcity of developable land, and regulatory constraints imposed by County and State agencies, many of these challenges lie beyond the City's direct control.

Despite these limitations, the City continues to proactively seek opportunities to expand available resources through grant funding, regional partnerships, and legislative advocacy. Watsonville is also committed to exploring alternative strategies to address community needs, including streamlining development processes, promoting infill development, and supporting innovative service delivery models. These efforts reflect the City's ongoing dedication to overcoming barriers and improving the quality of life for all Watsonville residents.

AP-90 PROGRAM SPECIFIC REQUIREMENTS – 91.220(L)(1,2,4)

INTRODUCTION:

The City of Watsonville will adhere to all applicable HUD regulations in implementing the programs and

activities outlined in the 2025–2026 Annual Action Plan. This includes compliance with requirements related to the use of program income, allowable forms of investment, and ensuring that activities provide overall benefit to low- and moderate-income persons under the Community Development Block Grant (CDBG) program.

Additional information is provided below regarding CDBG program income and related requirements. The Projects Table outlines all planned projects utilizing CDBG funds anticipated to be available during the program year, including program income. The following section identifies the amount of program income available and the corresponding projects to be undertaken.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

REFERENCE 24 CFR 91.220(L)(1)

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

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$20,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	\$20,000

OTHER CDBG REQUIREMENTS

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

This Action Plan is being designated as year one of a one-year overall benefit period, consisting of 2025.

DISCUSSION

This Annual Action Plan represents the initial year of a one-year benefit period covering July 1, 2025, through June 30, 2026.