

## FY 2020 – FY 2024 Consolidated Plan

### Substantial Amendment No. 2

October 13, 2020

Revised to:

- Include additional federal allocations to the City of San Diego resulting from The Coronavirus Aid, Relief, and Economic Security Act (CARES Act); including:

ESG Round 2 (ESG-CV2)	\$22,796,116
CDBG Round 3 (CDBG-CV3)	\$12,210,017
- Identify activities that may be undertaken with the additional ESG-CV2 and CDBG-CV3 funds in response to the COVID-19 pandemic and provide the estimated outcomes of those activities;
- Provide further detail on the eligible activities identified in the 1<sup>st</sup> Substantial Amendment to the FY 2020 – FY 2024 Consolidated Plan.
- Make non-substantive edits to the Consolidated Plan.
- NOTE: ***Only the Executive Summary and the Strategic Plan sections of the Consolidated Plan have been amended.***

## FY 2020 – FY 2024 Consolidated Plan

### Substantial Amendment No. 1

May 11, 2020

Revised to:

- Include additional federal allocations to the CDBG, ESG and HOPWA programs in FY 2020 resulting from The Coronavirus Aid, Relief, and Economic Security Act (CARES Act);
- Describe waivers and regulatory flexibility included in the CARES Act;
- Confirm the removal of Consolidated Plan Goal to “Meet the needs of persons with HIV/AIDS and their families through the provision of housing, health, and support services,” beginning in FY 2021;
- Confirm the designation of the County of San Diego as the City’s alternative HOPWA grantee, beginning in FY 2021;
- Provide details on possible activities that may be undertaken in response to the COVID-19 pandemic and the estimated outcomes of those activities;
- Update the FY 2021 Consolidated Plan Budgetary Priorities;
- Make non-substantive edits to the Consolidated Plan.

# Executive Summary

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

### 1. Introduction

Every five years, the U.S. Department of Housing and Urban Development (HUD) requires the creation of a Consolidated Plan to assist the City of San Diego (City) in determining community needs and further provide a community-wide dialogue regarding affordable housing and community development priorities. This document is the Consolidated Plan for the City for Fiscal Years (FY) 2020-2024. It also include the Annual Action Plan, which serves as the City's official application to HUD for the following resources:

- Community Development Block Grants (CDBG) – CDBG is a flexible funding source that can be used for both housing and non-housing activities, including neighborhood revitalization, workforce and economic development, community and nonprofit facilities, and infrastructure and public services in low-moderate income communities. The City anticipates approximately \$150 million in CDBG funds for the Consolidated Plan period.
- HOME Investment Partnerships (HOME) – HOME is used for building, acquiring, and rehabilitating affordable housing for rent and homeownership. It may also be used for direct rental assistance to low- income residents. The City anticipates approximately \$20 million in HOME funds for the Consolidated Plan period.
- Emergency Solutions Grants (ESG) – ESG funds programs and services supporting homeless individuals and families. This includes operating shelters, providing essential services to shelter residents, offering Rapid Rehousing, and preventing homelessness. The City anticipates approximately \$4.9 million in ESG funds for the Consolidated Plan period.
- Housing Opportunities for Persons with AIDS (HOPWA) - HOPWA supports low-income people living with HIV/AIDS and their families by providing affordable housing opportunities. The City is anticipating only \$3.6 million in HOPWA funding for the Consolidated Plan period since the City and the County of San Diego are currently working on the HOPWA alternate grantee agreement which will transfer the grant directly to the County.

The City is an entitlement jurisdiction, meaning it receives federal funds from HUD in proportion to its population size. All funds must assist low- to moderate-income (LMI) individuals and families. The City's anticipated allotment for the Consolidated Plan period is:

CDBG	HOME	ESG	HOPWA	TOTAL
174,560,958	37,687,331	31,423,465	4,847,232	248,518,986

Table 1 - Executive Summary Anticipated Resources Table

## Executive Summary: Con Plan Goals

The FY 2020 – 2024 Consolidated Plan is the strategic plan for allocating and leveraging these entitlement grants. It utilizes qualitative and quantitative data gathered through citizen participation, market analysis, and an assessment of need to identify the highest priority needs in which to direct entitlement dollars. The following goals were approved to meet these high-priority needs (in no particular order or ranking):

- **GOAL 1:** Increase and preserve affordable rental and homeowner housing to improve access to housing opportunities that reflect community needs, including but not limited to, opportunities in close proximity to transit, employment, and community services.
- **GOAL 2:** Enhance the City's economic stability by investing in inclusive economic growth initiatives that develop and strengthen small businesses and support local entrepreneurs.
- **GOAL 3:** Foster individual and household resiliency by investing in employment and workforce development programs and improving access to job opportunities.
- **GOAL 4:** Support the development of vibrant, equitable, and adaptable neighborhoods by investing in public facilities and critical infrastructure.
- **GOAL 5:** Assist individuals and families to gain stable housing after experiencing homelessness or a housing crisis by providing appropriate housing and service solutions grounded in best practices.
- **GOAL 6:** Invest in community services that promote equity and serve vulnerable populations including, but not limited to, refugees and recent immigrants, previously incarcerated individuals, veterans, youth, seniors, and food insecure households.
- **GOAL 7:** Finance impactful nonprofit facility improvements to provide new or increased access to programs that serve vulnerable populations or implement sustainability measures.

For year one of the Consolidated Plan, there will be an additional goal related to the HOPWA program. This one-year goal is:

- **GOAL 8 (FY 2020 only):** Meet the needs of persons with HIV/AIDS and their families through the provision of housing, health, and support services. Beginning in FY 2021, The County of San Diego is designated as the alternative grantee and will be responsible for reporting goals and outcomes.

In FY 2020 – 2024, the City will concentrate its limited resources for maximum impact within these goal areas. To achieve these goals, the City developed three guiding strategies:

1. Inclusive Economic Growth
2. Economic Resiliency and Sustainability
3. Catalytic Community Investment

## **2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview**

With a population of 1.4 million, the City of San Diego ranks as the eighth largest city in the nation and the second largest in California. However, in terms of housing affordability, the San Diego metropolitan area ranks as one of the nation's least affordable housing markets. The community development needs are significant, with many areas of overlap requiring cross-cutting, place-based solutions. The City is tasked with determining both the areas of greatest need, and the areas in which community investment can have the greatest impact given the limited resources available.

### **Housing Needs (NA-10)**

- Of all low-income renter households, 26% are cost burdened and 39% are severely cost burdened.
- Of all low-income homeowner households, nearly a quarter (22%) are cost burdened and over a third (37%) are severely cost burdened.
- There are approximately 46,000 affordable and available units in San Diego County; an additional 143,800 affordable rental units are needed to meet demand.

### **Public Housing (NA-35)**

- The San Diego Housing Commission administers approximately 15,000 housing choice vouchers.
- The waitlist for voucher applicants contains 91,644 families as of 2018 and the expected wait for each applicant is approximately ten to twelve years.

### **Homeless Needs (NA-40)**

- The 2018 Point-in-Time count found that 4,912 homeless persons were living in the City, representing 57.3% of all homeless people counted in the County. This represents a 6% reduction in homelessness from the previous year and a 14% reduction from the previous Consolidated Plan (5,733 individuals).
- The number of people living in hand-built structures (e.g., tents) dropped by 45% between 2017 and 2018.
- Countywide, the number of sheltered chronically homeless person rose by 98%, due in large part to opening temporary year-around three bridge shelters.

### **Executive Summary: Additional text for Summary**

### **Non-Homeless Special Needs (NA 45)**

- The HIV epidemic is geographically concentrated in the City of San Diego. In San Diego County, 2,399 residents were diagnosed with HIV in 2013-2017 and there were 13,876 persons living with HIV disease in the county in 2017.
- Elderly households are more likely to be low-income due to living on a fixed income, with 28% of households containing at least one individual 62 years or older. Additionally, elderly households are more likely to be disabled, with 72% of the elderly ages 65 or older considered disabled, compared to 9% of the overall City population.
- Only 33% of all working-age (18-64 years) individuals with a disability are in the workforce, an 8% reduction from the previous Consolidated Plan (41%).
- Veterans constitute 9% of the City's population over the age of eighteen. Veterans have a higher education and median incomes as compared to nonveterans. However, this population experiences significant unemployment and homelessness rates as compared to the non-veteran population.
- Large households have special housing needs due to needing a higher number of bedrooms and may be at-risk of overcrowding. Approximately 9% (42,580 households) of the City's population are considered large household and are more likely to be considered low-income with 52% earn up to 80% AMI.
- Almost three-quarters of single-parent households are headed by women (72%) and disproportionately experience poverty (36%) as compared to married couples (9%).
- Approximately 486,000 individuals experience food insecurity in San Diego County, with an additional 185,000 individuals at-risk. One in five individuals are either food insecure or at-risk of being food insecure in the region.

#### **Non-Housing Community Development Needs (NA-50)**

- Smart City Initiatives, Water recycling, Optimize timing of streetlights based on traffic demand, Broadband internet access for community
- Public Facility and Infrastructure Needs, Public parks, Sidewalks, Recreation and community centers
- Community Development and Public Service, Employment and workforce development programs, Youth workforce development programs, Employment re-entry services (for individuals recently released from incarceration)
- Economic Development, Job creation and small business grants, Storefront improvement programs, Grants for small businesses

### **3. Evaluation of past performance**

The City is responsible for ensuring compliance with all rules and regulations associated with the four HUD entitlement grant programs: (CDBG, HOME, ESG and HOPWA) in FY 2020 and three grant programs (CDBG, HOME, and ESG) in FY 2021-FY 2024. The City's Annual Action Plans and Consolidated Annual Performance and Evaluation Reports (CAPERs) have provided many

details about the innovations, projects and programs completed by the City over the past five years. In addition, it is making great strides in modeling and institutionalizing the tenets of review, reporting, evaluation and transparency.

The City recognizes that the evaluation of past performance is critical to ensuring the City and its subrecipients are implementing activities effectively and that those activities align with the City's overall strategies and goals. The performance of programs and systems are evaluated on a regular basis.

In the last Consolidated Plan (FY 2015-2019), the City continued to receive and consider recommendations of the Consolidated Plan Advisory Board (CPAB); updated City Council Policy 700-02, which governs CDBG investments in the City; and streamlined the Request for Proposals (RFP) process. These initiatives have been very successful for the City and will continue to be utilized in the FY 2020-2024 Consolidated Plan.

#### **4. Summary of citizen participation process and consultation process**

The City's outreach and consultation strategies included the formation of community outreach partnerships with housing, service, and mental health providers; workforce developers; community advocates; and others. Partnership members informed their clients and program beneficiaries that an important planning process was being undertaken and encouraged active participation by beneficiaries. Community outreach partnerships were also forged with elected leaders, community planners, businesses, public agencies and departments (City and region) to spread the word about the Consolidated Planning process.

A Community Needs Survey was conducted to solicit input from resident and workers in the City of San Diego. Respondents were informed that the City was updating the Consolidated Plan for federal funds that primarily serve low-to moderate-income residents and areas. The questionnaire polled respondents about the level of need in their respective neighborhoods for various types of improvements that can potentially be addressed using entitlement funds. A total of 1,237 survey responses were collected in six different languages: English, Spanish, Tagalog, Vietnamese, Mandarin, and Arabic.

Eight Consolidated Plan Community Forums were conducted to introduce the City's Five-Year Consolidated Plan and federal programs, and to solicit input from resident and workers in the City on the level of need for various types of improvements that can potentially be addressed by the Consolidated Plan. The forums were held primarily in low-to moderate-income communities and sought to obtain broad input from the City's diverse communities. To promote attendance at the forums, targeted social media posts were completed to reach a broader audience.

#### **5. Summary of public comments**

Qualitative feedback collected through the community survey, community forums, and stakeholder meetings provided insight into priority need from the entitlement grant beneficiary perspective. Top priority needs were identified as:

- Development of affordable housing
- Maintenance of owner-occupied housing
- Affordable housing access and stability
- Homelessness and supportive services
- Public services
- Public improvements and infrastructure
- Economic development
- Workforce development
- Nonprofit facility improvements
- Housing and support for individual living with HIV/AIDS

The Citizen Participation process is described in greater detail in PR-15 Citizen Participation. Feedback received during the public comment period between April 5, 2019 and May 4, 2019 will be summarized following the closing of that period.

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

All comments received were incorporated into the Consolidated Plan and can be found in Attachment A: Citizen Participation Comments.

## **7. Summary**

Not applicable



# Strategic Plan

## SP-05 Overview

### Strategic Plan Overview

The seven (7) Consolidated Plan Goals represent high priority needs for the City of San Diego and serve as the basis for the actions and activities the City will undertake to meet these needs.

The goals are listed below, in no particular order or ranking:

GOAL 1: Increase and preserve affordable rental and homeowner housing to improve access to housing opportunities that reflect community needs, including but not limited to, opportunities in close proximity to transit, employment, and community services.

GOAL 2: Enhance the City's economic stability by investing in inclusive economic growth initiatives that develop and strengthen small businesses and support local entrepreneurs.

GOAL 3: Foster individual and household resiliency by investing in employment and workforce development programs and improving access to job opportunities.

GOAL 4: Support the development of vibrant, equitable, and adaptable neighborhoods by investing in public facilities and critical infrastructure.

GOAL 5: Assist individuals and families to gain stable housing after experiencing homelessness or a housing crisis by providing appropriate housing and service solutions grounded in best practices.

GOAL 6: Invest in community services that promote equity and serve vulnerable populations including, but not limited to, refugees and recent immigrants, previously incarcerated individuals, veterans, youth, seniors, and food insecure households.

GOAL 7: Finance impactful nonprofit facility improvements to provide new or increased access to programs that serve vulnerable populations or implement sustainability measures.

For year one of the Consolidated Plan, there will be an additional goal related to the HOPWA program. This one-year goal is:

GOAL 8 (*FY 2020 only*): Meet the needs of persons with HIV/AIDS and their families through the provision of housing, health, and support services.

As activities are planned to help achieve the above-mentioned goals, the following guiding strategies will be considered:

1. Inclusive Economic Growth
2. Economic Resiliency and Sustainability
3. Catalytic Community Investment

#### **SP-05 IEG**

Connecting San Diegans to the opportunities that currently exist in the job market through better education, transportation and employment support is vital. During this Consolidated Plan period, the inclusive economic growth strategy will seek to proactively influence the nature of employment opportunities and reduce poverty through jobs.

Year 1 Recommendation: Social service investments will be made to promote equity for vulnerable populations including, but not limited to, youth, seniors, refugees and recent immigrants, previously incarcerated or justice-involved individuals, veterans and food-insecure households. The City will continue to invest in workforce development programs for out-of-school youth, veterans, minorities in certain job categories (i.e., women in tech jobs), mature workers (ages 55+) and the long-term unemployed. In addition, the City will explore best practices and the feasibility for creating community financial empowerment centers offering LMI communities with free, professional financial counseling and to address financial literacy needs. Recommendations resulting from this study will be publicly vetted.

#### **SP-05 ERS**

Economic resiliency can generally be defined by three attributes: the ability to recover quickly from an economic shock, the ability to withstand a shock, and the ability to avoid the shock altogether. A shock can manifest in several ways, including a significant event in the national or international economy, a downturn in a particular industry, or an external event such as a natural disaster. Establishing economic resilience in a local economy, a small business, or in an individual household requires the ability to anticipate risk, evaluate the impact of that risk, and build capacity to respond to the impact.

Year 1 Recommendation: Using economic resiliency as a strategy, programs such as the Nonprofit Accelerator will continue to increase the organizational capacity of nonprofits. This will better position organizations to access non-City funding and increase the likelihood of service level sustainability. In addition, CDBG funds will be invested to further advance the City's Climate Action Plan Zero Emission goal. This includes grants to nonprofit organizations to complete energy and water efficiency improvements to their facilities or on behalf of LMI owner-occupied single-family homes, as well as coordination among City departments to invest in infrastructure improvements in LMI communities. At a household level, in addition to the Inclusive Economic Growth highlights mentioned above, the City will initiate a feasibility study to explore the creation of an Accessory Dwelling Unit or Tiny Home pilot program. Recommendations resulting from this study will be publicly vetted.

## **SP-05 CNI**

During this Consolidated Plan period, the City is expected to receive a substantial amount of CDBG program income. The goal of Catalytic Neighborhood Investment is to encourage impactful project proposals that address challenges and needs of vulnerable LMI populations, increase the number of community-changing projects in LMI neighborhoods, and stimulate outside investments in LMI communities.

Year 1 Recommendation: The City will offer grant opportunities and solicit partnerships for innovative project types to foster a greater impact within high need communities. This includes a Neighborhood Business Improvement Program to provide technical and financial assistance to microenterprises (up to \$10,000) and small businesses (up to \$35,000) to LMI business owners and/or in LMI communities. It also includes a Catalytic Neighborhood Investment Program to create impactful community facilities or provide affordable housing initiatives for larger scale developments. The City will initiate a feasibility study to explore the implementation of a Community Based Development Organization (CBDO) Program to fund future new construction of affordable housing, as permitted by CDBG regulations. Recommendations resulting from this study will be publicly vetted.

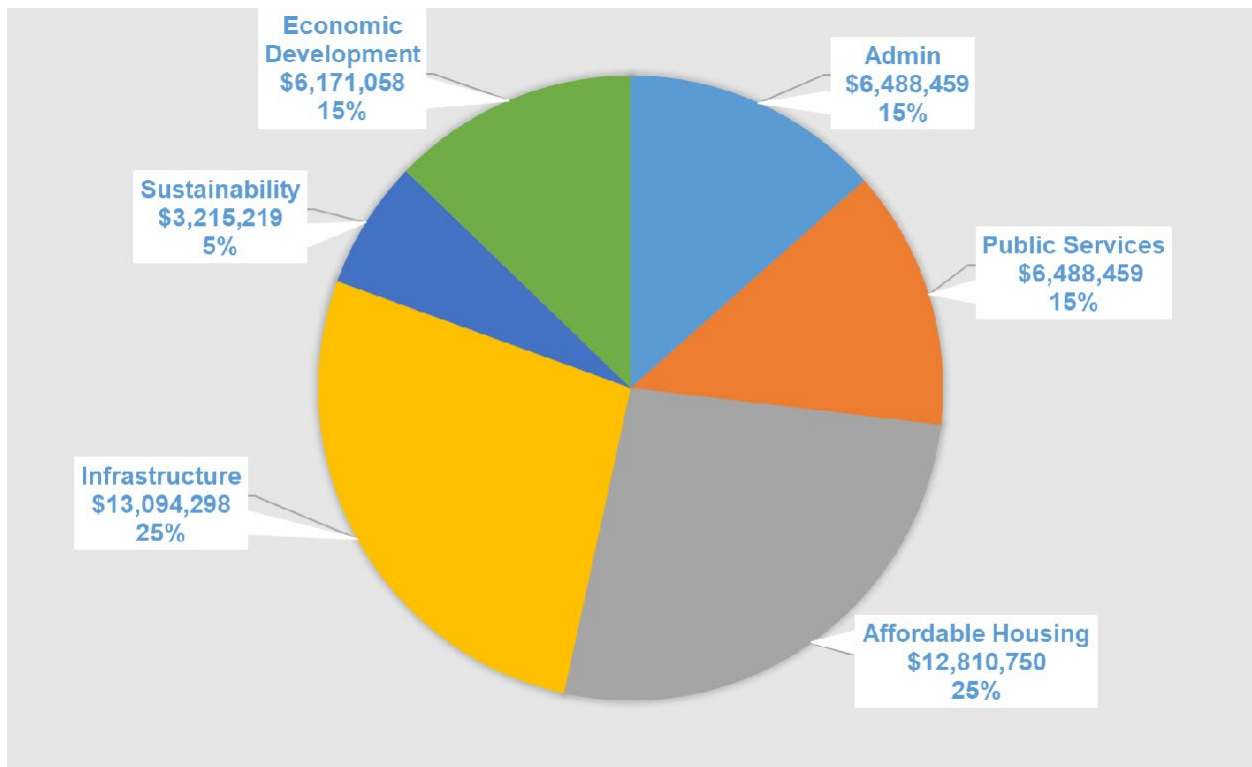
## **SP-05 BUDGET PRIORITIES**

### **CDBG Budgetary Priorities**

Historically, the City has invested CDBG funds in the following project types:

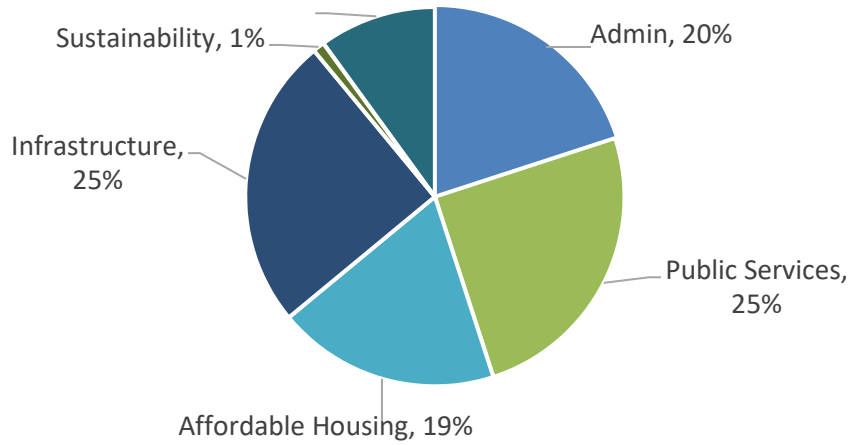
- Public Services: Direct Community Services, Workforce Training, Small/Emerging Nonprofits
- Community/Economic Development: Microenterprise Technical Assistance, Microenterprise Financial Assistance, Business Incubators, Small Business Revolving Loan Fund
- Infrastructure: Nonprofit Facility Improvements, City Projects, Park Improvements, Sidewalks, Streetlights, Community Facilities
- Sustainability Improvements
- Affordable Housing and Homelessness: Single Family Residential Rehabilitation, Multi-family Residential Rehabilitation, Homeless Shelters and Services, Homeless Facility Acquisition, First-time Homebuyer Financial Assistance, Revolving Loan Funds for Housing Rehabilitation and/or Land Acquisition

In an effort to direct critical resources and make demonstrable progress toward achieving the Consolidated Plan Goals, the City has developed the following budgetary priorities for Year 1 of this Consolidated Plan.

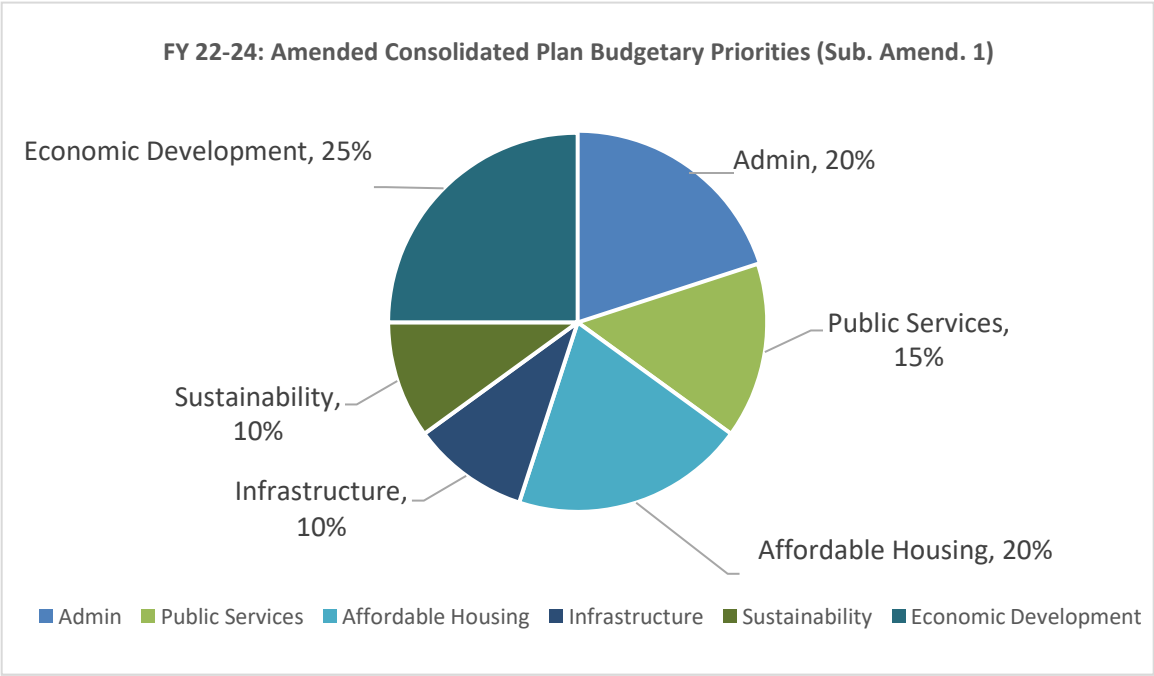


**SP-05 FY20 BUDGET PRIORITIES**

FY 21: Amended Consolidated Plan Budgetary  
Priorities (Substantial Amendment 1)



■ Admin ■ Public Services ■ Affordable Housing ■ Infrastructure ■ Sustainability ■ Economic Development



**SP-05 FY21-24**

**SP-05 GRAPH EXPLANATION**

The City’s CDBG Program annually reprograms funds from projects that experience cost savings, withdraw, or are canceled due to ineligibility determinations. In addition, the CDBG Program may receive unanticipated Program Income or have unallocated entitlement funds resulting from the allocation recommendations approved annually by Council. It is critical that these funds are redistributed to eligible activities quickly to achieve expenditure timelines. At least annually, these redistributed funds will be invested, at the City’s discretion, into City projects, homeless facility rehabilitation and acquisition, affordable housing projects, and other projects fulfilling one or more of the City’s Consolidated Plan Goals. The Consolidated Plan Goals are further reflected in the HOME, ESG and HOPWA funding priorities.

The CARES Act funding, which lifted the regulatory Public Services cap of 15%, shifted some of the budgetary priorities in response to the COVID-19 pandemic. With the cap restriction lifted, and the critical need to assist low-income families with services to prepare for, prevent and respond to the COVID-19 pandemic, the City is increasing the budget for public service activities to 25% of the overall CDBG budget during this time.

The 2<sup>nd</sup> Substantial Amendment to the Consolidated Plan includes the allocation and anticipated expenditure of additional CARES Act funds in the amounts of:

CDBG-CV3      \$12,210,017

ESG-CV2          \$22,796,116

These funds have been budgeted, with the approval of City Council, to prevent, prepare for and respond to the COVID-19 pandemic and according to highest need within the City of San Diego. Identified activities include homeless services, rental assistance and administration.

### **SP-05 HIGHLIGHTS**

#### SP- 10: Geographic Priorities

The City of San Diego will follow geographic restrictions under the Community Development Block Grant Program, which restricts activities to low-and moderate-income census tracts. Priority will be given to six high-need Community Planning Area – Barrio Logan, City Heights, Encanto, Linda Vista, San Ysidro, and Southeastern – and the San Diego Promise Zone.

#### SP-25: Priority Needs

Ten priority needs were identified through community outreach, consultation, and planning studies, including:

- Development of Affordable Housing
- Maintenance of Owner-Occupied Housing
- Affordable Housing Access and Stability
- Homelessness and Supportive Services
- Public Services
- Public Improvements and Infrastructure
- Economic Development
- Workforce Development
- Nonprofit Facility Improvements
- Housing & Support for Individuals Experiencing HIV/AIDS

SP-25 presents a more detailed description of and rationale for selecting these as priority needs.

#### SP-30: Influence of Market Conditions

The high costs for both market rate rental and for-sale housing burdens many LMI households and drives the need for expanded affordable housing. Other influencing market factors are a lack of public resources and high construction and labor costs.

#### SP-35: Anticipated Resources

The City anticipates receiving over \$178 million during the FY 2020 – FY 2024 Consolidated Plan period, comprised of program income and entitlements from the Community Block Development Grant, HOME Investment Partnership Program, Emergency Solutions Grant, and Housing Opportunities for Persons

with HIV/AIDS. A breakdown of anticipated resources is below:

## **SP-05 HIGHLIGHTS 2**

### SP-40: Institutional Delivery Structure

The City maintains robust networks of jurisdiction- and region-wide public and nonprofit service providers. The major service delivery stakeholders are the City of San Diego, the San Diego Housing Commission (Housing Commission), the County of San Diego Health and Human Service Agency, the County of San Diego Department of Housing and Community Development, and the Regional Task Force on the Homeless (RTFH).

### SP 45: Goals

The goals of the Consolidated Plan represent high priority needs for the City of San Diego and serve as the basis for the actions and activities the City will undertake to meet these needs.

- Increase and preserve affordable rental and homeowner housing to improve access to housing opportunities that reflect community needs, including but not limited to, opportunities in close proximity to transit, employment, and community services.
- Enhance the City's economic stability by investing in inclusive economic growth initiatives that develop and strengthen small businesses and support local entrepreneurs.
- Foster individual and household resiliency by investing in employment and workforce development programs and improving access to job opportunities.
- Support the development of vibrant, equitable, and adaptable neighborhoods by investing in public facilities and critical infrastructure.
- Assist individuals and families to gain stable housing after experiencing homelessness or a housing crisis by providing appropriate housing and service solutions grounded in best practices.
- Invest in community services that promote equity and serve vulnerable populations including, but not limited to, refugees and recent immigrants, previously incarcerated individuals, veterans, youth, seniors, and food insecure households.
- Finance impactful nonprofit facility improvements to provide new or increased access to programs that serve vulnerable populations or implement sustainability measures.
- *(FY 2020 only)*: Meet the needs of persons with HIV/AIDS and their families through the provision of housing, health, and support services.

## **SP-05 HIGHLIGHTS 3**

### SP-50: Public Housing

The Housing Commission, serving as the City's Public Housing Agency, offers over 2,195 public housing units for rent and administers over 15,000 rental vouchers. The Housing Commission also offers its Achievement Academy to foster financial self-sufficiency in benefit recipients.



#### SP-55: Strategy to Remove Barriers to Affordable Housing

Outside of high construction and labor costs, six barriers to expanding the affordable housing stock have been identified. To address these barriers, the Office of the Mayor has implemented the HousingSD plan, which supplements ongoing initiatives to improve housing affordability.

#### SP-60: Homelessness Strategy

The Housing First – San Diego: 2018 – 2020 action plan marks the City’s ongoing commitment to alleviating and ending homelessness in San Diego and seeks to expand on the success of the Housing First – San Diego: 2014 – 2017 initiative. Many new resources flowing to the City will further address the immediate and long-term needs of the homeless population. These include funding from HUD’s Youth Homelessness Demonstration Program and California’s Homelessness Emergency Aid Program (HEAP).

#### SP-65: Lead-Based Paint Hazards Strategy

The City’s Environmental Services Department administers the Lead Safety and Healthy Homes Program which provides educational resources to prevent and identify lead poisoning, a platform to file confidential complaints against noncompliant landlords and unsafe living conditions, and training and outreach for individuals and organizations.

#### SP-70: Anti-Poverty Strategy

The City’s “Economic Development Strategy: 2017 – 2019” outlines three objectives: Economic Base Growth, Middle-Income Jobs, and Neighborhood Businesses. The three objectives are instilled in each of the City’s programs to decrease poverty and increase affordable housing options, especially within the San Diego Promise Zone.

#### SP-80: Monitoring

Programmatic, financial, and regulatory performance of sub-recipients will be closely monitored to ensure compliance with all federal and local rules and regulations.

## SP-10 Geographic Priorities – 91.215 (a)(1)

### Geographic Area

Table 51 - Geographic Priority Areas

1	<b>Area Name:</b>	Citywide
	<b>Area Type:</b>	Local Target area
	<b>Other Target Area Description:</b>	
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	Other
	<b>Other Revital Description:</b>	Location
	<b>Identify the neighborhood boundaries for this target area.</b>	
	<b>Include specific housing and commercial characteristics of this target area.</b>	
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	
	<b>Identify the needs in this target area.</b>	
	<b>What are the opportunities for improvement in this target area?</b>	
	<b>Are there barriers to improvement in this target area?</b>	

### General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

After consultation with local subject matter experts and analysis of local data for a variety of indicators (such as, poverty, rent burden, violent crime and unemployment), the Geographic Targeting initiative in FY 2016 identified six high need Community Planning Areas. These six Community Planning areas are Barrio Logan, City Heights, Encanto, Linda Vista, San Ysidro, and Southeastern.

In addition to the six Geographic Targeted areas, a section of San Diego was designated in 2016 as the San Diego Promise Zone (SDPZ) which provides additional federal funding to address critical need areas in the City's most disadvantaged neighborhoods. The targeted area stretches from East Village and Barrio Logan to the west to Encanto and Emerald Hills to the east. It has a population of more than 77,000 residents.

To better support development in the Promise Zone and Geographic Targeted areas, the CDBG Request for Proposals now considers whether projects are located within the targeted areas and whether

services will be delivered to targeted area residents. As of FY 2019, 20 projects were in the Promise Zone and nearly all CDBG-funded projects serve residents of the Geographic Targeted areas.

During Year 1 of this Consolidated Plan, the City will refresh its analysis of local data to ensure its Geographic Targeting initiative continues to serve as an accurate place-based strategy to encourage larger allocations to communities with higher community development needs. Findings and staff recommendations will be reported to the CPAB and City Council.

## SP-25 Priority Needs - 91.215(a)(2)

### Priority Needs

Table 52 – Priority Needs Summary

<b>1</b>	<b>Priority Need Name</b>	Development of Affordable Housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse 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 Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Affordable Housing

	<b>Description</b>	<p>Increased supply and preservation of high quality, affordable rental and homeowner housing.</p> <p>228,480, or 44 percent, of San Diego households earn from 0-80% of Area Median Income (AMI), an increase of three percent from the FY 2015-2019 Consolidated Plan period.</p> <p>At 103,690, almost 50% of LMI households are housing cost burdened.</p> <p>Housing Choice Vouchers provide rent subsidies to more than 15,000 households, but there is a wait of 10-12 years for over 90,000 families on the waitlist.</p> <p>189 households are served by public housing, but there is waitlist of 67,802 households.</p>
	<b>Basis for Relative Priority</b>	<p>At community outreach and engagement workshops, community members ranked increasing availability of affordable housing as both the most important goal and highest priority need. Moreover, a community survey revealed that affordable housing is of most concern to the over 600 respondents.</p> <p>The quantitative data discussed in the Needs and Assessment and Market Analysis also serve as a strong basis for making affordable housing a priority need.</p>
<b>2</b>	<b>Priority Need Name</b>	Maintenance of Owner-Occupied Housing
	<b>Priority Level</b>	High

<p><b>Population</b></p>	<p>Extremely Low  Low  Moderate  Middle  Large Families  Families with Children  Elderly  Public Housing Residents  Rural  Chronic Homelessness  Individuals  Families with Children  Mentally Ill  Chronic Substance Abuse  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 Alcohol or Other Addictions  Persons with HIV/AIDS and their Families  Victims of Domestic Violence  Non-housing Community Development</p>
<p><b>Geographic Areas Affected</b></p>	<p>Citywide</p>
<p><b>Associated Goals</b></p>	<p>Affordable Housing</p>

	<b>Description</b>	<p>Improve and maintain housing stock quality, including energy efficiency improvements, available to seniors and other low- and moderate- income residents.</p> <p>228,480, or 44 percent, of San Diego households earn from 0-80% of Area Median Income (AMI), an increase of three percent from the FY 2015-2019 Consolidated Plan period.</p> <p>At 103,690, almost 50% of LMI households are housing cost burdened.</p> <p>Approximately 5,000 units of the City’s housing stock need repaired, some of which is necessitated by lead-based paint hazards.</p>
	<b>Basis for Relative Priority</b>	<p>At community outreach and engagement workshops, community members ranked increasing availability of housing as both the most important goal and highest priority need. Moreover, a community survey revealed that affordable housing is of most concern to the over 600 respondents.</p> <p>The quantitative data discussed in the Needs and Assessment and Market Analysis also serve as a strong basis for making housing a priority need.</p>
<b>3</b>	<b>Priority Need Name</b>	Affordable Housing Access and Stability
	<b>Priority Level</b>	High

<p><b>Population</b></p>	<p>Extremely Low  Low  Moderate  Middle  Large Families  Families with Children  Elderly  Public Housing Residents  Rural  Chronic Homelessness  Individuals  Families with Children  Mentally Ill  Chronic Substance Abuse  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 Alcohol or Other Addictions  Persons with HIV/AIDS and their Families  Victims of Domestic Violence  Non-housing Community Development</p>
<p><b>Geographic Areas Affected</b></p>	<p>Citywide</p>
<p><b>Associated Goals</b></p>	<p>Affordable Housing</p>



	<b>Description</b>	<p>Improved access to and stability of affordable rental and homeowner housing for low-and moderate-income residents through first time homebuyers down payment assistance, financial/homeownership counseling, and other support.</p> <p>228,480, or 44 percent, of San Diego households earn from 0-80% of Area Median Income (AMI), an increase of three percent from the FY 2015-2019 Consolidated Plan period.</p> <p>At 103,690, almost 50% of LMI households are housing cost burdened.</p> <p>Housing Choice Vouchers provide rent subsidies to more than 15,000 households, but there is a wait of 10-12 years for over 90,000 families on the waitlist.</p> <p>189 households are served by public housing, but there is waitlist of 67,802 households.</p>
	<b>Basis for Relative Priority</b>	<p>At community outreach and engagement workshops, community members ranked increasing availability of affordable housing as both the important goal and highest priority need. Moreover, a community survey revealed that affordable housing is of most concern to the over 600 respondents.</p> <p>The quantitative data discussed in the Needs and Assessment and Market Analysis also serve as a strong basis for making affordable housing a priority need.</p>
4	<b>Priority Need Name</b>	Homelessness and Supportive Services
	<b>Priority Level</b>	High

<b>Population</b>	<p>Extremely Low  Low  Moderate  Middle  Large Families  Families with Children  Elderly  Public Housing Residents  Rural  Chronic Homelessness  Individuals  Families with Children  Mentally Ill  Chronic Substance Abuse  veterans  Persons with HIV/AIDS  Victims of Domestic Violence  Unaccompanied Youth</p>
<b>Geographic Areas Affected</b>	Citywide
<b>Associated Goals</b>	Homelessness
<b>Description</b>	The 2018 Point-in-Time Count found that there are 4,912 homeless individuals living in the City of San Diego, with almost half that number living unsheltered.
<b>Basis for Relative Priority</b>	<p>Development of permanent supportive housing with adequate support to ensure successful occupancy, including case manage, homeless diversion services, acquisition of facilities to serve people experiencing homelessness, and Homelessness prevention services.</p> <p>The quantitative data discussed in the Needs and Assessment and Market Analysis serve as a strong basis for making affordable housing a priority need. Combining the City’s total with the County’s makes the San Diego region home to the fourth-largest homeless population in the nation.</p> <p>At community outreach and engagement workshops, community members ranked housing for the homeless as the third-highest priority need, with social services for the homeless as the fifth-highest priority need. Moreover, a community survey revealed that homelessness is a major concern to the over 600 respondents.</p>

<b>5</b>	<b>Priority Need Name</b>	Public Services
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse 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 Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Workforce Development Public and Community Services

	<b>Description</b>	<p>Increased access to broad-based community services for vulnerable residents, especially for youth, veterans, previously incarcerated, refugees and recent immigrants.</p> <p>Many challenges are faced by the City’s vulnerable populations, especially within a national political environment that is hostile to such populations. These challenges include access to social services, medical care and affordable housing.</p>
	<b>Basis for Relative Priority</b>	At community outreach and engagement workshops, community members ranked improved and expanded public services as a high priority need. The quantitative data discussed in the Needs and Assessment and Market Analysis also serve as a strong basis for making public services a priority need.
<b>6</b>	<b>Priority Need Name</b>	Public Improvements and Infrastructure
	<b>Priority Level</b>	High
	<b>Population</b>	<p>Extremely Low</p> <p>Low</p> <p>Moderate</p> <p>Middle</p> <p>Large Families</p> <p>Families with Children</p> <p>Elderly</p> <p>Public Housing Residents</p> <p>Elderly</p> <p>Frail Elderly</p> <p>Persons with Mental Disabilities</p> <p>Persons with Physical Disabilities</p> <p>Persons with Developmental Disabilities</p> <p>Persons with Alcohol or Other Addictions</p> <p>Persons with HIV/AIDS and their Families</p> <p>Victims of Domestic Violence</p> <p>Non-housing Community Development</p>
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Public facilities and Infrastructure

	<b>Description</b>	<p>Infrastructure and public facility improvements including public parks, senior and community centers, sidewalks, and street lighting.</p> <p>According to the FY 2019-2023 Five-Year Capital Infrastructure Planning Outlook, there is are \$1.58 billion in unmet infrastructure needs. The gap is attributed to increased needs in storm water, parks, facilities, and streets and roads improvements.</p>
	<b>Basis for Relative Priority</b>	<p>At community outreach and engagement workshops, community members ranked improving sidewalks and streetlights as the fourth-highest priority need. A community survey revealed upgrades to public facilities and infrastructure is a major concern of respondents.</p> <p>The quantitative data discussed in the Needs and Assessment and Market Analysis also serve as a strong basis for making affordable housing a priority need.</p>
7	<b>Priority Need Name</b>	Economic Development
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Non-housing Community Development Other
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Economic Development Workforce Development
	<b>Description</b>	<p>Activities that create jobs including storefront improvement programs and direct assistance to small business and micro-enterprises.</p> <p>With growing sectors such as construction, hospitality, and food services in the City, the lack of qualified or willing candidates with the proper training or educational background in an increasingly competitive workers' market presents an immediate need and future challenge for the growth and sustainability of those businesses.</p>

	<b>Basis for Relative Priority</b>	<p>Employment training and workforce development each were ranked among the highest priority needs at community outreach and engagement workshops. Further, a community survey revealed economic and workforce development, particularly job creation, are major concerns to respondents.</p> <p>The quantitative data discussed in the Needs and Assessment and Market Analysis also serve as a strong basis for making economic development a priority need.</p>
<b>8</b>	<b>Priority Need Name</b>	Workforce Development
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Non-housing Community Development
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Workforce Development

	<b>Description</b>	<p>Employment and workforce development programs, including programs for youth (job readiness, trade certification) and employment re-entry services for previously incarcerated residents.</p> <p>A challenge the workforce faces in competing the job market relates to the high cost of living. Those in San Diego are spending significantly more income on housing cost as compared to peer cities, which creates a local challenge in retaining top talent. On average, 50% of college graduates leave the region to find higher wages in other competitive markets.</p>
	<b>Basis for Relative Priority</b>	<p>Employment training and workforce development each were ranked among the highest priority needs at community outreach and engagement workshops. Further, a community survey revealed economic and workforce development, particularly job creation, are major concerns to respondents.</p> <p>The quantitative data discussed in the Needs and Assessment and Market Analysis also serve as a strong basis for making workforce development a priority need.</p>
<b>9</b>	<b>Priority Need Name</b>	Nonprofit Facility Improvements
	<b>Priority Level</b>	High

	<b>Population</b>	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse 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 Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Nonprofit Facility Improvements
	<b>Description</b>	Improved nonprofit public facilities to provide more accessible, coordinated programs for vulnerable populations.  Many challenges are faced by the City’s vulnerable populations, especially within a national political environment that is hostile to such populations. These challenges include access to social services, medical care and affordable housing.



	<b>Basis for Relative Priority</b>	At community outreach and engagement workshops, community members ranked improved nonprofit facilities as a high priority. The quantitative data discussed in the Needs and Assessment and Market Analysis also serve as a strong basis for it a priority need.
<b>10</b>	<b>Priority Need Name</b>	Housing/Support for Individuals with HIV/AIDS
	<b>Priority Level</b>	Low
	<b>Population</b>	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Persons with HIV/AIDS Persons with HIV/AIDS and their Families
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	HIV/AIDS housing, health and support services
	<b>Description</b>	In San Diego County, 2,399 residents were diagnosed with HIV in 2013-2017 and there were 13,876 persons living with HIV disease in the county in 2017. Of the 15 zip-codes with the highest rate of incidence, 13 are in the City of San Diego.  Persons living with HIV/AIDS face financial hardship due to unmet medical care needs and medical costs that burden their economic stability.
	<b>Basis for Relative Priority</b>	According to the HOPWA CAPER and HOPWA Beneficiary Verification Worksheet, there is an estimated unmet need of 4,128 rental assistance vouchers for persons living with HIV/AIDS. Because persons with HIV/AIDS are at-risk of economic instability, housing unaffordability inordinately affects this population.

**Narrative (Optional)**

San Diego is the nation’s eighth largest city with the second largest population in California with over 1.4 million people. The community development needs faced in San Diego are significant, necessitating coordinated action and sustained investment to solve the area’s most persistent socioeconomic

problems. The City is tasked with identifying the areas of greatest need, as well determining which community investments can have the greatest impact given the limited resources available.

The Needs Assessment and Market Analysis, in concert with the qualitative data collected through surveys, forums and meetings, highlight San Diego's clear and detailed need for investment in economic and workforce development, critical public infrastructure, affordable housing, appropriate assistance for the homeless, new and increased access to services for vulnerable populations, and services for persons with HIV/AIDS and their families.

### **Priority Needs**

The City narrowed its focus to ten goals, highlighted in section SP-05, after broad community and stakeholder outreach. The City then defined priority needs within each goal that can be addressed by federal resources. All the needs described below are of HIGH priority. Projects will only be considered for funding within the FY 2020-2024 Consolidated Plan period if they address these high priority needs.

## SP-30 Influence of Market Conditions – 91.215 (b)

### Influence of Market Conditions

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
<p>Tenant Based Rental Assistance (TBRA)</p>	<p>According to NA-10 Housing Needs, housing cost burden is the most significant housing problem facing LMI households. As the economy has improved since the 2008 financial crisis, San Diego has experienced strong job growth and low unemployment. Accompanying these economic indicators is an almost 150,000 person increase in population, demonstrating that San Diego remains an attractive place to call home.</p> <p>However, these developments, along with insufficient home building, has led to a surge in housing costs. LMI households have faced increased housing cost burdens, which affects their overall economic stability. With a wait of 10-12 years before qualifying households receive a Housing Choice Voucher, LMI households are at great risk of homelessness. Even with rental vouchers in-hand, LMI renters are experiencing difficulties finding affordable market rate housing or landlords willing to rent to them.</p>
<p>TBRA for Non-Homeless Special Needs</p>	<p>As per the NA-10 Housing Needs, vulnerable populations of all types face significant barriers to a stable housing situation. For persons living with HIV/ADIS, for example, high housing costs within San Diego make it difficult to transition program participants from HOPWA-funded housing into the private rental market without rental subsidies. This puts those living with HIV/AIDS at a higher risk of becoming homeless. There will also be an increase in the number of those needing services as those living with HIV/AIDS age, placing further strain on the already scarce resources.</p>
<p>New Unit Production</p>	<p>According to the City of San Diego’s 2018 Housing Inventory Housing Report, the City has built just 38% of its housing need since 2013 and most of that production has been targeted toward above-moderate-income households. Several factors contribute to this low level of housing production. These include high construction and labor costs, prohibitive fees and permitting processes, and constrictive zoning and building codes. There have also been insufficient public funds to fill the affordability gap by subsidizing new income-restricted housing units.</p> <p>As a response, the City has instituted several changes to spur development, particularly affordable housing development. Ordinances regulating impact fees and accessory dwelling units have been revised, incentives and streamlining for dense, infill, or affordable housing have been implemented, and parking requirements in housing developments near transit have been eliminated.</p>

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
Rehabilitation	<p>According to the City’s General Plan Housing Element 2013-2020, only a fraction of the housing stock requires major repair and/or rehabilitation, amounting to approximately less than 5,000 units. However, 58.6% of the housing stock was built after 1980, just two years after lead-based paints were prohibited in residential properties. Assuming equal distribution of LMI households across the city, over 125,000 LMI households are at risk of lead-based paint exposure.</p> <p>Rehabilitation is also important for senior populations. By 2030, 21% of the County’s population will be 65 or older, creating a need for age- and health-appropriate housing. The County’s Age Well Action Plan calls for more resources to provide housing opportunities, including remaining in their current home, for seniors.</p> <p>To address this and other rehabilitation concerns, in FY 2019, the City invested \$13 million in the Affordable Housing Revolving Loan Fund, managed by the Housing Commission. In 2018 the Housing Commission released a NOFA to rehabilitate the affordable housing stock.</p>
Acquisition, including preservation	<p>The high cost of housing and land, and the persistent need for affordable rents, lead to insufficient resources to adequately provide enough income-restricted housing. However, the City is committed to identifying affordable housing units nearing the end of their income-restricted affordability terms and leveraging resources to extend that affordability. As a result, the City and the Housing Commission, as the City’s Public Housing Authority, is investigating several avenues through which to expand the affordable housing stock, including utilizing publicly-owned lots.</p>

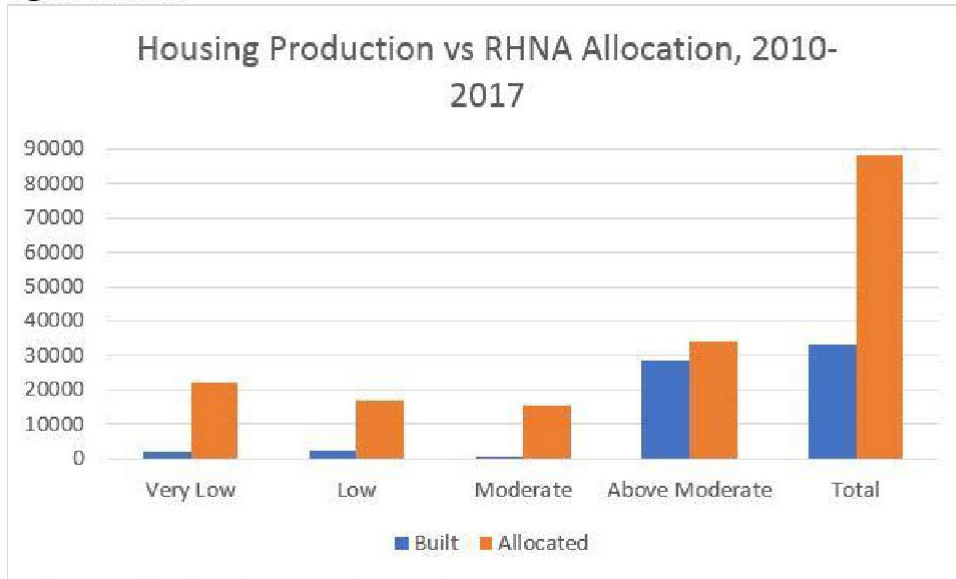
**Table 53 – Influence of Market Conditions**

**NA-10 TEXT 1**

The City of San Diego is responsible for much of the County’s growth between 2000 and 2015. Of the nearly 410,000 people coming to the County during that time, 137,000 (33%) have settled in the City. Along with this population growth, the City grew by 61,419 new housing units, whereas the County added 154,345 new units – meaning San Diego accounts for about 40% of all new housing units added in San Diego County between 2000 and 2015. It is important to note here the growth in population has far outpaced the growth in new housing units. Indicative of a tight housing market this mismatch of growth trends leads to increased costs, which affect those households with the lowest income the most.

The Regional Housing Needs Allocation, determined by the San Diego Association of Governments (SANDAG), sets the amount of housing each jurisdiction must plan to accommodate. Figure NA-10.1 illustrates the housing deficit in the City of San Diego.

**Figure NA-10.1**



Source: Annual Housing Inventory Report, City of San Diego

**NA-10 Housing Production vs RHNA Allocation**

**NA-10 TEXT 2**

While neither the City nor the County have yet returned to prior income levels before the 2008 recession, the City has fared better than the County as a whole. In 2016, both the County and City had roughly the same median household income of \$70,824 and \$71,481, respectively. Additionally, the City of San Diego passed the Earned Sick Leave and Minimum Wage ordinance in 2016. This requires that employees working in the City receive a livable minimum wage to enable the ability to support and care for their families. This has resulted in an annual minimum wage increase from 2016 through 2019 by \$1.50 to be \$12.00. Beginning in 2019, the minimum wage will be increased by the prior year’s cost of living increase. Even with the positive changes to minimum wage and the increase in median household income wage growth has not kept pace with the demands that population growth puts on housing prices.

Because the City has fared better economically than the County in most indicators following the 2008 recession, median home values and median rent in the City of San Diego rebounded rather quickly. According to Zillow, median sale price hit a low in 2009 near \$265,000 rising to over \$500,000 in 2016 (by May 2018, it had reached \$623,700).

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## **SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)**

### **Introduction**

The Office of Community Planning and Development at the U.S. Department of Housing and Urban Development (HUD) allocates entitlement funds to the City of San Diego Economic Development Department, which administers the CDBG program. The San Diego Housing Commission administers both the ESG and HOME programs for the City, whereas the County of San Diego administers the HOPWA program.

The Anticipated Resources Matrix below outlines each of these funds, expected amounts available in Year 1 and a projection of resources between FY 2021 and FY 2024, as well as a list of eligible uses of funds per HUD regulations. The amounts include funds subject to administrative caps, which will not be spent on programming identified in the Goals section of SP-45. These include City staff salary and fringe benefits, as well as the City's Fair Housing Program activities.

### **CARES Act**

On March 27, 2020, The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The CARES Act providing additional funding for CDBG and ESG to readily respond to the COVID-19 economic and housing impacts, as well as provide increased flexibility for these funds, including:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act made additional funds available to the City to prepare for, prevent and respond to the COVID-19 emergency. These Round 1 additional funds included:

- CDBG-CV: \$7,223,939
- HOPWA-CV: \$682,662
- ESG-CV: \$3,598,334

The CARES Act also suspended certain regulatory restrictions including:

- Eliminating the 15% expenditure cap on CDBG Public Service activities. Public Service activities that are carried out above the 15% cap must be COVID-19 related and documented.
- The 30- and/or 15- day public comment period is suspended in the event of an emergency, and replaced with a 5-day public comment period. In-person public hearings are not required, and virtual meetings can be conducted.

Since the date of the 1<sup>st</sup> Substantial Amendment to the FY 2020 – FY 2024 Consolidated Plan, the City of San Diego has received additional CARES Act allocations in the following amounts:

- CDBG Round 3 (CDBG-CV3)      \$12,210,017
- ESG Round 2 (ESG-CV2)      \$22,796,116

The CARES Act funds have been included in the FY 2020 Annual Action Plan and allocated to the anticipated activities and/or projects.

**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	31,309,958	31,403,000	4,647,964	67,360,922	107,200,000	Prior year reprogrammed balance will be used for a variety of CDBG-eligible projects. The 2 <sup>nd</sup> amended annual allocation includes: \$11,876,002 of annual entitlement plus, \$7,223,939 of CDBG-CV funding and \$12,210,017 of CDBG-CV3 funding.



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: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	5,312,011	903,588	10,223,688	16,439,287	21,248,044	HOME funds vary from year to year based on the expenditure of prior year commitments and program income.

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: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	\$4,847,232	0	0	\$4,847,232	0	FY 2020 is the final year HOPWA funding will be included in the City's Action Plan.-The County is designated as the alternate grantee beginning FY 2021. The amended annual allocation includes \$4,164,570 of annual entitlement plus \$682,662 of HOPWA-CV funding  -

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: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	27,400,253	0	0	\$ 27,400,253	4,023,212	The amended annual allocation includes \$1,005,803 of annual entitlement, plus \$3,598,334 of ESG-CV funding and \$22,796,116 in ESG-CV2.

Table 54 - Anticipated Resources

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

Leverage, in the context of the City’s HUD entitlement programs, means bringing other local, state, and federal financial resources in order to maximize the reach and impact of these programs. HUD, like many other federal agencies, encourages the recipients of federal monies to demonstrate that efforts are being made to strategically leverage additional funds in order to achieve greater results. Leverage is also a way to

increase project efficiencies and benefit from economies of scale that often come with combining sources of funding for similar or expanded scopes. Funds will be considered leveraged if financial commitments toward the costs of a project from a source, other than the originating federal source, are documented.

The City, through its Consolidated Plan Advisory Board, has incentivized the use of leveraged funds in certain Requests for Proposals by offering additional evaluation points based upon the percentage of the project budget reimbursed with non-entitlement federal sources.

City staff will continue to explore additional leveraging opportunities, such as New Market Tax Credits, other federal resources, and local private investments.

#### **HOME-25% Match Requirement**

The Housing Commission uses local Inclusionary Funds, Housing Trust Funds, coastal funds, state funds, and multi-family bond proceeds as contributions to housing pursuant to the matching requirements.

#### **ESG-100% Match Requirement**

For the City-funded interim shelters, the Housing Commission uses the CDBG set-aside funding per Council Policy 700-02 and the Affordable Housing Fund authorized by San Diego Municipal Code §98.0502. The Rapid Re-housing 100% match comes from VASH vouchers, sub-recipient monetary leverage and in-kind match from sub-recipients in the form of case management and supportive services. The ESG match requirements for CARES Act funds has been eliminated.

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

In October 2018, the City Council passed a resolution to build at least 140 units of permanent supportive housing for homeless households and individuals in each of the City's nine council districts. The City's Real Estate Assets Department has since been conducting an analysis of City-owned parcels of land which may be suitable for development. If carried out, the plan will result in at least 1,260 new units of permanent supportive housing, which could house approximately 20% of the City's homeless population.

**Discussion**

In response to the COVID-19 pandemic, Congress passed the CARES ACT; which increased funding for the CDBG, HOPWA, and ESG programs. The additional funding is directly related to COVID-19 related supportive services and activities.

## 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.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
City of San Diego	Government	Economic Development Homelessness Non-homeless special needs Ownership Planning Rental neighborhood improvements public facilities public services	Jurisdiction
SAN DIEGO HOUSING COMMISSION	PHA	Homelessness Ownership Public Housing Rental	Jurisdiction
COUNTY OF SAN DIEGO HCD	Government	Homelessness Ownership Planning Public Housing Rental	Region
Regional Task Force on the Homeless	Continuum of care	Homelessness Planning	Region

**Table 55 - Institutional Delivery Structure**

### Assess of Strengths and Gaps in the Institutional Delivery System

The City benefits from a strong jurisdiction- and region-wide network of housing and community development partners. The County of San Diego Housing and Community Development Department (HCD) improves neighborhoods by assisting low-income residents, increasing the supply of affordable, safe housing, and rehabilitating residential properties in San Diego County. HCD leverages the City's HOPWA program funds with the County's Health and Human Services Agency and its own housing program income.

For its part, the San Diego Housing Commission is an award-winning Move to Work agency dedicated to preserving and increasing affordable housing and has contributed over \$250 million in homeless

program expenditures since FY 2015. This is in addition to its administering over 15,000 rental vouchers and maintaining over 2,195 affordable housing units. As the San Diego’s Continuum of Care, the Regional Task Force on the Homeless augments and supports the services and funding provided by the various governmental entities within the Institutional Delivery System.

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

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
<b>Homelessness Prevention Services</b>			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	X
Mortgage Assistance	X		
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
<b>Street Outreach Services</b>			
Law Enforcement	X	X	
Mobile Clinics	X	X	
Other Street Outreach Services	X	X	
<b>Supportive Services</b>			
Alcohol & Drug Abuse	X	X	X
Child Care	X	X	
Education	X	X	X
Employment and Employment Training	X	X	
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	X
<b>Other</b>			
	X	X	

**Table 56 - Homeless Prevention Services Summary**

**Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)**

The City has greatly expanded its service delivery system and made available more opportunities than ever before for homeless families and individuals to receive immediate and long-term needs. Most significantly, new resources have greatly expanded the capacity for providing and supporting services for the City and the region’s Continuum of Care. These include HUD’s Youth Homelessness Demonstration

Program and California's Homelessness Emergency Aid Program (HEAP), which together have brought over \$25 million in new funding to the Regional Task Force on the Homeless to address homelessness and \$14 million to the City

The City's General Fund investment in the Temporary Bridge Shelter Program and the San Diego Police Department's Homeless Outreach Teams has also provided essential service delivery by making housing assistance and social and health services available to the City's homeless population. These resources are in addition to the longstanding Homeless Shelter and Service program administered by the Housing Commission.

**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 Housing Commission's Housing First – San Diego: 2014-2017 initiative realized great success, having achieved nearly all its goal through focused and collective action. In total, over 3,000 homeless individuals and families were positively affected by the Housing First plan, far exceeding the original goal of 1,500. This was accomplished by:

- Awarding \$29.8 million in development funds to build 407 permanent supportive housing units
- Administering 1,986 rental vouchers
- Investing \$15 million of federal Moving to Work funds to acquire a 120-unit affordable housing complex for seniors
- Dedicating 50 units of Housing Commission-owned affordable housing to Rapid Rehousing recipients
- Launching the Guardian Scholars Program, which provides homeless students at San Diego State University with rental subsidies
- Launching the Monarch School Project, which provides homeless families who have a child enrolled at the Monarch School with rental vouchers
- Opening the renovated Hotel Churchill, which supplies 72 units of permanent supportive housing
- Launching the Housing Our Heroes Veterans Initiative to provide housing opportunities for homeless veterans in San Diego

The Housing First – San Diego: 2018-2020 action plan expands on the success of the earlier initiative and addresses some of the gaps that emerged. Under the current plan, the Rapid Rehousing program is expanded to address homelessness before it becomes a chronic affliction, representing a focus to keep formerly homeless households permanently housed has been instituted. The Housing Commission has also funded new outreach workers to augment the staff at the RTFH, as well as retooled its Landlord Engagement and Assistance Program.



Other special needs populations served are seniors and “Opportunity Youth”, or youth aged between 16 and 24. Many organizations offer programs and services designed for these populations. The County of San Diego, by providing many of the region’s public health and mental services, is particularly focused on senior populations. Their Age Well Action Plan outlines the County’s strategy to address the many factors associated with aging in place.

Opportunity Youth, which are characterized as disconnected from the education and workforce systems, are a focus of the San Diego Workforce Partnership. The organization holds an annual Opportunity Summit, a one-day workshop on addressing the needs of Opportunity Youth. This augments the many workforce development and job training programs it offers on a regular basis.

**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 has made a commitment to address priority needs through Council Policy 700-02, the budgetary priorities of this Consolidated Plan, and resulting budget allocations.

For example, the recognition of homelessness as a social and economic issue is uniting service providers, the business community, and the public and private sectors in adopting best practices to end chronic homelessness and improving the system to rapidly rehouse individuals and families. The innovations emerging from San Diego has led both the federal and state governments to award the City with increased funding to better leverage its efforts.

## SP-45 Goals Summary – 91.215(a)(4)

### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Economic Development	2019	2023	Non-Housing Community Development Economic Development	Citywide	Economic Development	CDBG: \$20,000,200	Jobs created/retained: 128 Jobs  Businesses assisted: 1400 Businesses Assisted
2	Workforce Development	2019	2023	Non-Housing Community Development	Citywide	Public Services Economic Development Workforce Development	CDBG: \$6,000,000	Public service activities other than Low/Moderate Income Housing Benefit: 2500 Persons Assisted
3	Public facilities and Infrastructure	2019	2023	Non-Homeless Special Needs City Infrastructure	Citywide	Public Improvements and Infrastructure	CDBG: \$22,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 50000 Persons Assisted  Other: 30 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Affordable Housing	2019	2023	Affordable Housing	Citywide	Development of Affordable Housing Maintenance of Owner-Occupied Housing Affordable Housing Access and Stability	CDBG: \$68,706,766 HOME: \$37,687,331	Rental units constructed: 700 Household Housing Unit  Rental units rehabilitated: 140 Household Housing Unit  Homeowner Housing Rehabilitated: 200 Household Housing Unit  Direct Financial Assistance to Homebuyers: 155 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Homelessness	2019	2023	Homeless	Citywide	Homelessness and Supportive Services	CDBG: \$ 16,472,892 ESG: - \$ - 27,870,688 - -	Public service activities other than Low/Moderate Income Housing Benefit: ,678 Persons Assisted  Tenant-based rental assistance / Rapid Rehousing: 484 Households Assisted  Homeless Person Overnight Shelter: 12660 Persons Assisted
6	Nonprofit Facility Improvements	2019	2023	Non-Housing Community Development	Citywide	Nonprofit Facility Improvements	CDBG: \$24,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 42000 Persons Assisted  Other: 20 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	Public and Community Services	2019	2023	Non-Homeless Special Needs Non-Housing Community Development	Citywide	Public Services	CDBG: \$ 13,599,152	Public service activities other than Low/Moderate Income Housing Benefit, including emergency rental assistance: 62,605 Persons Assisted
8	HIV/AIDS housing, health and support services	2019	2023	Non-Homeless Special Needs Non-Housing Community Development	Citywide	Housing/Support for Individuals with HIV/AIDS	HOPWA: \$4,164,570	Public service activities other than Low/Moderate Income Housing Benefit: 3332 Persons Assisted  Tenant-based rental assistance / Rapid Rehousing: 80 Households Assisted  HIV/AIDS Housing Operations: 148 Household Housing Unit

Table 57 – Goals Summary

**Goal Descriptions**

1	<b>Goal Name</b>	Economic Development
	<b>Goal Description</b>	Enhance the City's economic stability by investing in inclusive economic growth initiatives that develop and strengthen small businesses and support local entrepreneurs.
2	<b>Goal Name</b>	Workforce Development
	<b>Goal Description</b>	Foster individual and household resiliency by investing in employment and workforce development programs and improving access to job opportunities.
3	<b>Goal Name</b>	Public facilities and Infrastructure
	<b>Goal Description</b>	Support the development of vibrant, equitable, and adaptable neighborhoods by investing in public facilities and critical infrastructure.
4	<b>Goal Name</b>	Affordable Housing
	<b>Goal Description</b>	Increase and preserve affordable rental and homeowner housing to improve access to housing opportunities that reflect community needs, including but not limited to, opportunities in close proximity to transit, employment, and community services.
5	<b>Goal Name</b>	Homelessness
	<b>Goal Description</b>	Assist individuals and families to gain stable housing after experiencing homelessness or a housing crisis by providing appropriate housing and service solutions grounded in best practices.
6	<b>Goal Name</b>	Nonprofit Facility Improvements
	<b>Goal Description</b>	Finance impactful nonprofit facility improvements to provide new or increased access to programs that serve vulnerable populations or implement sustainability measures.
7	<b>Goal Name</b>	Public and Community Services
	<b>Goal Description</b>	Invest in community services that promote equity and serve vulnerable populations including, but not limited to, refugees and recent immigrants, previously incarcerated individuals, veterans, youth, seniors, and food insecure households.

<b>8</b>	<b>Goal Name</b>	HIV/AIDS housing, health and support services
	<b>Goal Description</b>	Meet the needs of persons with HIV/AIDS and their families through the provision of housing, health, and support services.

**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)**

HOPWA-Project total assisted: 3550

HOPWA funds are distributed throughout the County of San Diego to implement the following eligible activities:

- Acquisition/rehabilitation/new construction of affordable housing
- Administration
- Housing information and referral services
- Resource identification
- Housing operating cost
- Short-term supportive facilities (hotel/motel vouchers)
- Tenant based rental assistance
- Supportive services
- Technical assistance
- Short-term rent, mortgage, and utility (STRMU)

HOME Investment Partnerships Program-Projected total assisted: 1193

HOME funds many activities related to constructing, acquiring, and rehabilitating affordable housing, such as:

- First time homebuyers through down payment loans and closing cost assistance grants;
- Gap financing to affordable housing developments to produce, rehabilitate, and/or preserve affordable housing;
- Providing owner-occupied rehabilitation loans for single family homes; and
- Delivering tenant-based rental assistance and security deposits for very low-income individuals and families.

Emergency Solutions Grant (ESG)-Projected total assisted: 45773

The City will renew its Memorandum of Understanding with the Housing Commission to administer ESG funds on the City's behalf. Throughout the term of the Consolidated Plan, ESG funds will be invested in homeless shelter and services program, such as:

- **Connections Housing:** An integrated services and residential community whose primary goal is to help homeless individuals living on neighborhood streets by providing them with interim shelter and services, so they can rebuild their lives and find secure permanent housing. Virtually every resource and individual would need to break the cycle of homelessness is available onsite at this facility, including individual assessments; the One-Stop Service Center; primary care health clinic; transitional/interim housing; and permanent supporting housing.
- **Cortez Hill Family Shelter:** This interim shelter provides 150 nightly shelter beds in 47 units for families experiencing homelessness. Families are offered counseling, career assessments, medical and legal services, and follow-up services after leaving the center.
- **Interim Shelter for Homeless Adults:** This interim shelter provides up to 350 low-barrier, safe shelter beds nightly for individual adults experiencing homelessness. Individuals are offered stabilization and supportive services to prepare individuals for the appropriate longer term of permanent housing.
- **Rapid Re-Housing (RRH):** The Housing Commission will continue to operate the Security Deposit Plus (SD+) Program. This program provides households exiting transitional housing and shelters with a security and/or utility deposits plus short-term rental assistance, if needed, to assist approximately 50 households to gain stable housing. The Housing Commission may also subcontract with local RRH providers to provide households with security and utility deposits, short-or medium-term rental assistance. Rental assistance will be based on the financial needs of the clients and will be gradually reduced to set down reliance on the RRH program. Clients will also receive case management targeted to gain employment, budgeting, and financial competency.



## **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 Commission owns and manages the public housing inventory, affordable housing units, and ground leases within the City. The units are restricted to low-income renters with incomes at 80% Area Median Income (AMI) or less. The number of units in the Housing Commission's Real Estate portfolio is over 2,700 units amongst 159 residential properties, eight of those being Public Housing properties and six sites that are under a long-term ground and building lease. In addition to the units owned and operated, the Housing Commission is the Ground Lessor on sixteen properties that provide over 1,460 affordable units.

#### **Activities to Increase Resident Involvements**

- Able Disabled Advocacy
- Campaign for Grade-Level Reading
- Chase Bank
- Community HousingWorks
- Credit Builders Alliance
- Family Dress for Success Going Places Network
- Housing Opportunity Collaborative
- International Rescue Committee
- Jewish Family Services
- Job Corps
- Landeros & Associates
- Money Management International
- Partnership With Industries
- Robert Half and Associates (Energy Savings Assistance Program)
- San Diego Association of Governments (SANDAG)
- San Diego Central Library
- San Diego Community College District
- San Diego Futures Foundation
- San Diego Workforce Partnership
- Second Chance

#### **Is the public housing agency designated as troubled under 24 CFR part 902?**

No

**Plan to remove the 'troubled' designation**

Not applicable

## **SP-55 Barriers to affordable housing – 91.215(h)**

### **Barriers to Affordable Housing**

Based on the previous work of the San Diego's Regional Planning Agency in its 2015 Analysis of Impediments to Fair Housing Choice and City's 2018 Housing Inventory Annual Report, the following is a list of barriers to affordable housing in the City of San Diego and the rest of the county:

**Affordability:** Income and wages are not keeping pace with rising housing costs and the overall cost of living. Moreover, federal resources for programs, such as the federal Section 8 Program, do not match the need experienced. Finally, from a homeownership perspective, the majority of residents are not able to reach the dream of owning their own home within City limits.

**Vacancy Rates:** Low housing vacancy rates and lack of new construction are contributing to higher rents. Moreover, the cost of land is significant, while the general supply of available land is low for future growth, thus contributing to affordability issues.

**Community Push-Back:** Development barriers in some communities, including permit processing times, height restrictions, outdated community plans, environmental review, and community opposition in the form of "NIMBYism" continue to be a barrier for the location and cost of affordable housing projects.

**Education and Outreach:** Educational and outreach literature regarding affordable housing issues, rights, and services on websites or at public counters is limited. Fair and affordable housing education is identified as one of the most important strategies for furthering fair housing. However, traditional outreach methods of publishing notices and press releases in newspapers and posting information on websites are not adequate to reach the general public with diverse needs and interests. Outreach methods should be expanded to include other media of communications, and also utilize networks of neighborhood groups and local organizations.

**Lending and Credit Counseling:** Throughout San Diego County, White applicants were noticeably overrepresented in the loan applicant pool, while Hispanics were severely underrepresented. Black and Hispanic applicants also seem to be significantly more likely to receive subprime loans.

**Overconcentration of Housing Choice Vouchers:** Due to the geographic disparity in terms of rents, concentrations of Housing Choice Voucher use have occurred. The City should continue to implement the Choice Communities Initiative, Moving Forward plan, and Housing Choice Voucher Homeownership Program, among other programs and activities to deconcentrate voucher use.

**Housing Options:** Housing options for special needs groups, especially for seniors and persons with disabilities, have improved, but remain limited. Affordable programs and public housing projects have long waiting lists. The City should work to promote the distribution of affordable housing and a range of housing choices for households with special needs.

## **Strategy to Remove or Ameliorate the Barriers to Affordable Housing**

In coordination with many of the City's governmental agencies, the Office of the Mayor has developed the Housing SD plan to improve housing affordability and the development review process, facilitate more affordable housing, and support the City's Climate Action Plan. Discussed below are the many facets of the Housing SD plan, which were first put into action in 2017.

**Middle Income Density Bonus Program:** In response to a dearth of entry-level housing options for working-and middle-class households, the City has proposed a Middle-Income Density Bonuses for developers who construct a housing project with at least 10% of units for households making less 150% of AMI. This is targeted toward persons serving as school teachers, nurses, police, first responders, and firefighters, among others.

**Affordable, In-Fill and Sustainable Expedite Program:** The Expedited Program has been greatly revised to better meet today's housing needs. Projects that incorporate one of the following aspects are awarded expedited permit processing:

- Projects where at least 10% of the units are reserved for low-or very-low income households;
- Projects located in the HUD-designated SDPZ
- Project located in a transit Priority Area;
- Projects with a higher density than what is authorized by the applicable community plan; or
- Projects that incorporate voluntary Tier 2 sustainable development standards pursuant to CAL Green Building Code.

**Companion (second dwelling) unit production:** Following many legislative changes at the state level, San Diego has instituted many policies to incentivize the development of accessory dwelling units (also known as companion units, granny flats, or backyard homes). Changes included fee reductions, relaxed building and parking standards, and revised zoning regulations. The City has set a goal to encourage the construction of up to 6,000 ADUs.

**Affordable Housing Density Bonus update:** The local Affordable Housing Density Bonus reflects the latest changes mandated by California's state legislature in 2017 and is a key policy in expanding the affordable housing stock.

### **Housing SD Additional Text 1**

**Updates to the Land Development Code – 11th Code Update:** The City's Land Development Code is periodically updated, and the most recent revision included many changes to address housing affordability. These include relaxed parking standards for special needs housing, expanded the area for properties eligible for live/work designation, and other streamlining efforts.

Streamlined environmental review: The California Environmental Quality Act (CEQA) allows for streamlined environmental review when proposed projects are consistent with established density and zoning standards. The City has implemented a process by which projects can take advantage of this streamlined review.

Development Impact Fee (DIF) calculations: As discussed above, DIFs are a major deterrent to housing production. The City is studying revised DIF calculations that neither inhibit housing production nor negatively affect neighborhood services and amenities. A major component to a new DIF calculation is scaled fees based on unit size.

Transit Priority Area (TPA) parking standards: The City relaxed parking requirements in the downtown neighborhood and near major public transit to increase the feasibility of some proposed housing developments, as well as decrease costs for renters and owners alike. New regulations eliminate parking minimums in downtown and near transit and impose a maximum of one parking spot per housing unit. Additionally, parking spaces must be “unbundled” from housing units, so residents do not have to pay for parking even when they do not own a vehicle.

Housing Successor Fund and NOFAs: In February 2017, Civic San Diego, the wholly-owned development nonprofit of the City, issued a Notice of Funding Availability (NOFA) for \$25 million to fund affordable housing developments. In 2018, the Housing Commission announced NOFAs for \$50 million to fund affordable housing construction, acquisition, and rehabilitation. These are just some examples of how the City is leveraging all available resources to expand the affordable housing stock.

Transit Oriented Development Fund: Civic San Diego and the Housing Commission have partnered to develop a Transit Oriented Development fund that would leverage \$20 million in public funds to provide financing to small-scale projects near transit.

Housing Inventory Annual Report: In 2018, the City released its first Housing Inventory Annual Report, which outlined the housing market, analyzed the housing stock, and offered strategies to increase housing production and increase housing affordability. The annual report fills an information gap since many housing reports, like the Housing Element, are updated only once every several years. Other reports are generated on an ad hoc basis. The Housing Inventory Annual Report will provide a reliable snapshot of the housing market that will inform policy making.

## **Housing SD Text 2**

Comprehensive Community Plan updates: Community Plans establish land use standards, guide development, and inform decisions on individual projects. However, many Community Plans are

outdated and do not account for today's housing needs. Just 9 of 49 Community Plans have been updated since 2014. There are many benefits to updated Community Plans, including:

More "by-right" development

Expedited CEQA review

Zoning efficiencies

Updated facilities financing plans

As a result, the City is aiming to update Community Plans every 3 years, rather than the traditional 6 to 8 years.

Development Services Department improvements: The City's Development Services Department (DSD) is responsible for permitting, reviewing, and inspecting proposed developments. As such, DSD has a major role in increasing housing production and ensuring housing affordability. Many improvements have been made to the Department's processes and workflow, including:

Improved customer service training

New project management and permit processing software

Land Development Code updates

Fee modifications

Revised Affordable Housing Density Bonus Program

Processing time improvements

Ongoing initiatives

While HousingSD was launched in 2017 in response to the escalating housing affordability crisis, many policies and programs to expand the affordable housing stock have long been in place. These include:

Inclusionary zoning: The City's inclusionary zoning (or housing) policy requires developers of two or more housing units to pay an inclusionary housing fee. The fee is waived for developers who set aside at least 10% of newly-constructed units for income-restricted affordable housing. The affordability commitment must be for at least 55 years. In recent years, momentum has been building toward revising the inclusionary housing policy to lead developers to build more affordable housing, rather than pay the inclusionary housing fee. Possible revisions include a higher fee and a higher "set-aside" percentage.

First-Time Homebuyer Programs: The Housing Commission runs two programs that offer affordable for-sale options to prospective homebuyers. First, the First-Time Homebuyer Program assists with the purchasing of a single-family home, townhome or condominium. This program is funded by a variety of federal, state and local affordable housing funds, including HOME and CDBG, and since 1990 has helped more than 5,000 families and individuals buy their first home. The second program is the Affordable For-Sale Housing program, which makes it possible for LMI households to buy homes at affordable prices. There are six communities throughout San Diego that participate in this program.

Fair Housing Initiatives: In 2018, the City Council enacted the Source of Income Discrimination Ordinance which makes it illegal for homeowners to reject rental applications from people with Housing Choice Vouchers or other public rental assistance based solely on their source of income. The ordinance supplements the city's ongoing fair housing initiatives including a partnership with the Legal Aid Society of San Diego and maintenance of a Fair Housing Hotline.

## **SP-60 Homelessness Strategy – 91.215(d)**

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

Coordinated Outreach and Enhanced Outreach Teams: San Diego significantly increased the number of outreach teams within the City when it opened its Temporary Bridge Shelters in December 2017. As part of the program design, each shelter has outreach teams that address areas of need throughout the City of San Diego. They operate on a coordinated outreach schedule and participate in HOT team activities, discussed below, on a weekly basis. The outreach teams have launched a data collection app that helps them geocode and map areas of high need and collect data in an efficient and accessible way that does not hinder the interaction with the individuals they are engaging with. In the coming year the City will launch its enhanced Outreach teams that will complement the current activities. These teams are funded through the Cities HEAP allocation and will focus on persons in high need, including encampments.

Homeless Outreach Team (HOT): The Homeless Outreach Teams (HOT) is formed in partnership with the Psychiatric Emergency Response Team (PERT), the City of San Diego Police Department, and San Diego County Mental Health technicians. The goal of the HOT is to provide outreach and engagement through supportive and social services. The HOT also participates in the Serial Inebriate Program through which chronically homeless, substance-dependent individuals are offered opportunities for sober living environments, healthcare, and transitional housing.

Housing Navigation Center: In line with its “Connect, Support, House” strategy to reduce homelessness, the City purchased a facility to centralize supportive services and housing assistance under one roof. To be operated by the Family Health Centers of San Diego, the Housing Navigation Center will focus on housing placement, increased and improved outreach, and centralized coordinated services. It is expected to open in calendar year 2019.

Connections Housing Downtown: Connections Housing Downtown is a City-sponsored, one-stop shop for people experiencing homelessness to find housing assistance and services. Along with permanent affordable studios, there are interim housing units, temporary beds, and on-site supportive and social services. In FY 2018, the facility served over 500 homeless individuals.

Project Homeless Connect – Downtown San Diego: The Housing Commission is lead organizer for an annual one-day resource fair called Project Homeless Connect – Downtown San Diego. In conjunction with the City of San Diego and a host of nonprofit service providers, the Housing Commission connects homeless San Diegans with the services necessary to address their immediate and long-term needs. In 2019, the event assisted 905 homeless individuals.

### **Addressing the emergency and transitional housing needs of homeless persons**



Homeless Shelters and Services programs: The City's Homeless Shelters and Services programs are administered by the Housing Commission. These programs include:

- A Year-Round Interim Housing Program – 350 beds
- Connections Housing Downtown – 1,345 interim beds and 16 special needs interim beds
- Cortez Hill Family Center – 47 units
- Neil Good Day Center - Serves a minimum of 2,000 homeless individuals annually
- Homeless Transitional Storage Centers: There are two homeless transitional storage centers for individuals to safely store their belongings while they look for work, attend classes, or meet with service providers. Together, the two facilities provide space for close to 1,000 individuals to store their belongings.
- Temporary Bridge Shelter Program: The Bridge Shelters were established in late 2017 and early 2018 to address the immediate shelter needs of San Diego's homeless population. There are three shelter locations, each targeting a different demographic: single adults, veterans, and families and single women. Together, the shelters provide up to 674 beds.

In FY 2018, these programs received more than \$11.2 million in federal, state, and local funding and collectively serviced over 10,000 people.

Safe Parking Program: In October 2017, the City dedicated General Funds to establish a Safe Parking Program that offers homeless individuals and families living out of their vehicles a safe and secure place to park at night at two parking lots – a City-owned parking lot and a lot owned by the nonprofit service provider. The Safe Parking Program is operated by a nonprofit service provider who works with the families and individuals to find the most appropriate housing solution.

**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.**

Rapid Rehousing: Emergency Solutions Grant funds support the operations of the Housing Commission's Security Deposit Plus (SD+) Program. This program provides households exiting transitional housing and shelters with a security and/or utility deposit plus short-term rental assistance, if needed, to assist approximately 50 households to gain stable housing. The Housing Commission may also subcontract with local RRH providers, using a variety of funding sources, to provide households with security and utility deposits, short-or medium-term rental assistance. Rental assistance will be based on the financial needs of the clients and will be gradually reduced to step down reliance on the RRH program. Clients will also receive case management targeted to gaining employment, budgeting, and financial competency.

Approximately 425 households are helped each year. In addition to its traditional Rapid Rehousing funding, the Housing First - San Diego action plan calls for a doubling of publicly-owned housing units set aside for rapid rehousing, from 25 to 50 units. It also highlights the Rapid Rehousing Plus Pilot Program through which additional rental assistance is provided to Rapid Rehousing recipients for an additional 12 months.

Future Programming: The City of San Diego and the Housing Commission continue to explore the best resources to meet the needs of those experiencing homelessness. In FY 2019, under the direction of the City Council, the Housing Commission procured a high-level, consultant with national recognition and broad expertise in the area of homelessness to develop a comprehensive Strategic Plan for the City of San Diego to address homelessness. The objective of this planning effort is to develop a comprehensive strategy to address homelessness in the City of San Diego, which identified actionable approaches to address short-and long-term homelessness issues, which will include:

- Identifying system gaps and providing creative strategies to effectively bring to scale homelessness interventions through collaboration and collective impact.
- Identifying potential funding sources available to support implementation of identified strategies.
- Providing recommendations to maximize political will and stakeholder support to increase funding opportunities to support successful program and bring them to scale.
- Creating and clarifying the City's actions and goals in the short, medium, and long term address homelessness.
- Drafting a roadmap that will formalize a coordinated multiyear commitment with consistent and ongoing tracking of evaluation metrics.

The plan is expected to be completed by July 2019. In that regard future activities that the Housing Commission, and or the City of San Diego choose to implement and/or fund will likely be influenced by the recommendations identified in this City of San Diego Homelessness Strategic Plan. In that regard, for future potential programming activities the types of programs that may be implemented in the next three to five-year period are yet to be determined but will be influenced by the development of the Strategic Plan. These activities will at minimum be targeted towards ensuring that identified system gaps are addressed (taking into consideration funding availability) and that there is a spectrum of homelessness services and housing resources (taking into consideration funding availability) to meet a continuum of needs, from early/low intervention resources to divert persons from the homeless crisis response system to intensive resources aimed a highly vulnerable and chronically homeless person with long term health and housing needs.

**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**

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- Identifying system gaps and providing creative strategies to effectively bring to scale homelessness interventions through collaboration and collective impact.
- Identifying potential funding sources available to support implementation of identified strategies.
- Providing recommendations to maximize political will and stakeholder support to increase funding opportunities to support successful programs and bring them to scale.
- Creating and clarifying the City's actions and goals in the short, medium, and long term to address homelessness.
- Drafting a roadmap that will formalize a coordinated multiyear commitment with consistent and ongoing tracking of evaluation metrics.
- Delivery of a defined set of guiding principles and targeted responses through which policy decisions and funding commitments related to addressing homelessness will be filtered.

## **SP-65 Lead based paint Hazards – 91.215(i)**

### **Actions to address LBP hazards and increase access to housing without LBP hazards**

As discussed in MA-20 Housing Market Analysis: Condition of Housing, there is a correlation between LMI households and lead-based paint (LBP) hazards. To address this relationship, the City of San Diego's Environmental Services Department administers the Lead Safety and Healthy Homes Program. The program provides educational resources to prevent and identify lead poisoning, a platform to file confidential complaints against noncompliant landlords and unsafe living conditions, and training and outreach for individuals and organizations. It also provides information on the Housing Commission's Housing Rehabilitation Programs that provide financing to LMI homeowners to improve their home's material condition.

### **How are the actions listed above related to the extent of lead poisoning and hazards?**

The age of housing stock is the key variable for estimating the number of housing units with lead-based paint (LBP) hazards and their associated risks for LMI households.

LBP was prohibited in residential properties starting in 1978. 58.6% of the housing stock was built before 1980. Assuming an equal distribution San Diego's LMI households, then 44% of the 208,306 housing units built before 1980, or 125,975, would be low or moderate-income households possibly at risk of LBP hazards.

Further, we can determine that out of the 143,720 households with children currently residing in units built before 1980 in the city, 63,237 or 44% of those units are low- or moderate-income households with children. In addition, the ten zip codes with the highest lead blood levels in children are those where 51% or more of residents are low-to moderate households.

### **How are the actions listed above integrated into housing policies and procedures?**

In 2002, the City made it unlawful for a property owner to maintain or cause a lead hazard. In 2008, the City enacted the Lead Hazard Prevention and Control Ordinance in 2008, which established the Lead Safety and Healthy Homes Program (LSHHP) under the purview of the Environmental Services Department (discussed above). For its part in supplying affordable housing, the Housing Commission inspects rental units for potential LBP hazards if:

- Rental unit(s) built prior to January 1, 1978; **AND**
- A child under the age of six lives in or will be living in the unit; **AND**
- There is a potential lead hazard present due to paint that is peeling, chipping or cracking, or repairs which will be made in the unit that involves or disturbing painted surfaces.

## **SP-70 Anti-Poverty Strategy – 91.215(j)**

### **Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families**

The City's Economic Development Department published a report entitled "Economic Development Strategy, 2017-2019" that establishes the economic development objectives of the city. These are:

1. **Economic Base Growth** – Expand, retain and attract businesses in the City's four economic base sectors: Manufacturing & Innovation, International Trade & Logistics, Military, and Tourism.
2. **Middle-Income Jobs** – Increase the number of middle-income jobs, especially within the four economic base sectors.
3. **Neighborhood Businesses** – Increase the amount of neighborhood-based business activity, especially within underserved neighborhoods.

The progress toward these three objectives are measured by several economic performance indicators:

- Increase the Gross Regional Product (GRP) of the San Diego Region.
- Increase the percentage of the workforce earning middle-income wages.
- Decrease the rate of local unemployment.
- Increase the local median income.
- Decrease the percentage of persons living in poverty.
- Increase General Fund tax revenue as a percentage of GRP.
- Increase business activity in the City's neighborhood business districts.

### **How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan**

More than any one offering, coordinating services and programs across agencies and organizations has emerged as a key strategy in recent years to achieve the City's economic development objectives, outlined in its "Economic Development Strategy, 2017-2019" report, discussed above.

Many programs offered by the City which incorporate coordinated actions and services have been highlighted throughout this report.

The HUD-designated San Diego Promise Zone encapsulates this collaborative approach. Following the collective impact model, the SDPZ brings together government and nonprofit organizations to better leverage existing resources, fill service gaps, and improve existing services. The SDPZ's place-based approach to decreasing poverty is focused on six areas: jobs, economic development, public safety, affordable housing, healthcare and healthy foods, and education.

Key partners in the San Diego Promise Zone include, the San Diego Housing Commission, which participates in the SDPZ's Increasing Access to Affordable Housing working group, and the San Diego

Workforce Partnership, which participates in the Creating Jobs working group. As such, each is involved in another key collaborative effort to reduce poverty: the HUD Youth Homelessness Demonstration Program. In this way, the major stakeholders of the affordable housing and workforce development plans laid out herein are intimately involved in the initiatives.

## 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**

All awarded projects and programs are monitored for compliance with San Diego City Council Policy 700-02, HUD Regulations, OMB Circulars and 24 CFR Part 84. City programs supported with entitlement funds will be monitored to ensure compliance with the respective program requirements of the specific funding source. The City approach to monitoring is an ongoing process involving continuous communication and evaluation with grant recipients (non-profit organizations, other governmental agencies, city departments).

**City of San Diego:** Using the ED Grants system, a custom online project management portal, the CDBG program's monitoring function consists of four components:

- **Project Implementation:** Prior to implementation of CDBG activities, all subrecipients (inclusive of City departments and Housing Commission staff) are required to attend a mandatory CDBG Agreement Execution Process Workshop or one-one-one appointment. Sessions are conducted by Community Development Division staff. The workshop or appointment includes an overview of CDBG requirements, navigating the ED Grants system, other federal requirements, City contracting requirements, and discussion on specific budget and scope of work details. Contract packet and reporting documents are discussed, hard copies are distributed, and User Guides are also emailed out to the subrecipients.
- **Contract Management:** All open CDBG projects are assigned to a City project manager who is responsible for the negotiation and execution of a contract to implement project activities. All contracts fully address all HUD, state and local requirements and include a detailed project scope. The project manager is also responsible for contract compliance and project management representing the City as grantee. Ongoing technical assistance from project managers is provided throughout the contract period.
- ☐ **Monitoring Compliance:** The monitoring process involves desk audits of reports and supporting documentation, onsite monitoring reviews, frequent telephone contacts, written communications, and meetings. Through regular monitoring of its sub-recipients, staff ensures they abide by the all applicable federal, state and local standards and work with recipients to increase efficiencies and augment their performance. As part of this process, City staff watches for the potential of fraud, waste, mismanagement, and/or other opportunities for potential abuse. Contract provisions are in place that provide for the suspension of funds, termination of the contract, and disallowance of reimbursement requests at any time during the program year based on performance deficiencies. On an individual basis, staff works with sub-recipients to correct identified deficiencies through discussion and/or technical assistance, prior to imposing any sanctions.