



THE CITY OF SAN DIEGO

Fiscal Year 2014 |
Fifth Program Year

CDBG, HOME, HOPWA,
and ESG Programs

Consolidated Annual Performance and Evaluation Report

ADA upgrades & improvements to Gompers Neighborhood Park



September 2014

Prepared by:

The City of San Diego

Economic Development Department
HUD Programs Administration Office
1200 Third Avenue, Suite 1400, MS 56D
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THE CITY OF SAN DIEGO

September 26, 2014

N. Dean Huseby
Community Planning and Development Representative
U.S. Department of Housing and Urban Development
611 West 6th Street, Suite 801
Los Angeles, CA 90017

Dear Mr. Huseby:

Subject: Fiscal Year 2014 Consolidated Annual Performance and Evaluation Report

Enclosed for your review is the City of San Diego's Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2014 (July 1, 2013, through June 30, 2014) as required by the United States Department of Housing and Urban Development (HUD). The CAPER describes the City's implementation of the Fiscal Year 2013 Annual Action Plan utilizing the following programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). This CAPER also provides a general assessment of the City's progress in addressing the priorities and objectives contained in its 2010-2014 Consolidated Plan (July 1, 2009, through June 30, 2014).

If you have any questions regarding the CAPER, please contact Sima Thakkar, Program Manager, at (619) 236-5902 or sthakkar@sandiego.gov; or Eliana Barreiros, HUD Programs Coordinator, at (619) 533-6510 or ebarreiros@sandiego.gov.

Sincerely,

David Graham
Deputy Chief Operating Officer
City of San Diego

Enclosure

cc: Lydia Moreno, Interim Deputy Director, Economic Development Department
Project file





THE CITY OF SAN DIEGO

Fiscal Year 2014 Consolidated Annual Performance and Evaluation Report

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THE CITY OF SAN DIEGO

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The Fifth Program Year CAPER: Fiscal Year 2014

The Fifth Consolidated Annual Performance and Evaluation Report (CAPER) includes Narrative Responses to CAPER questions that Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grants (ESG) grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations.

GENERAL

EXECUTIVE SUMMARY

In accordance with the federal regulations found in 24 CFR 570, the City of San Diego (City) has prepared the Consolidated Annual Performance and Evaluation Report (CAPER) for the period of July 1, 2013 through June 30, 2014 (FY 2014). The CAPER describes the City's progress in carrying out projects and activities carried out during FY 2014 through the use of CDBG, HOME, HOPWA, and ESG funds. These funds are allocated to the City by the United States Department of Housing and Urban Development (HUD) and are intended to principally benefit low- and moderate-income persons (LMI) in the City as well as those presumed by HUD to be principally LMI (abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers).

This annual report also provides a general assessment of the City's progress in addressing the priorities and objectives addressed in its five-year [FY 2010 – FY 2014 Consolidated Plan](#) (Con Plan) covering the period of July 1, 2009 through June 30, 2014. The FY 2014 CAPER represents the fifth and last year of the five-year period covered by the Con Plan. Finally, the CAPER describes the status of the projects and programs the City set out to carry out as outlined in the [FY 2014 Annual Action Plan](#).

The report is organized to be generally consistent with the City's FY 2014 Annual Action Plan so that interested parties can easily compare these documents and readily assess the City's performance in meeting the stated housing and community development goals. The FY 2014 Annual Action Plan and other pertinent documents may be accessed through the City's HUD Programs Administration Office program website at <http://www.sandiego.gov/cdbg/general/plansreports.shtml>.

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This report identifies the required information reported in the CAPER in accordance with HUD standards (as well as information reported that is considered optional by HUD) by highlighting those in gray as shown below.

Optional Information (per HUD standards): Provide a brief overview that includes major initiatives and highlights that were proposed and executed throughout the fourth year.

Program Year 5 CAPER “Executive Summary” Response:

Table 1 below shows the federal Program Year 2013 HUD Community Planning and Development (CPD) funds that were granted to the City for the FY 2014 Annual Action Plan:

Table 1: FY 2014 Entitlement Allocations

Community Development Block Grant (CDBG)	\$11,327,381
HOME Investment Partnerships Program (HOME)	\$4,309,278
Emergency Solutions Grants (ESG)	\$780,817
Housing Opportunities for Persons with AIDS (HOPWA)	\$2,726,216
Total	\$19,143,692

In addition, Table 2 below shows the amount of CDBG program income (PI) used to fund CDBG projects and activities during FY 2014:

Table 2: CDBG Program Income (PI) Used in FY 2014.

FY 2014 Redevelopment Agency Repayment	\$3,976,900
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Program income (PI) is generally the gross income directly generated from the use of CDBG or HOME funds. Per HUD guidelines, PI is subject to all the other CDBG or HOME requirements and must be used first. The \$3,976,900 in CDBG PI noted in Table 2 above was allocated towards CDBG projects and programs only. It should also be noted that the HOME program received \$4,158,635 in PI during FY 2014. A majority of the PI received was the result of shared equity and amortizing loan principal payoffs associated with previous HOME-funded projects and the collection of current interest payments.

Major Initiatives and Highlights

In FY 2014, the City continued to make steady progress in meeting the goals and objectives stated in the Con Plan. The following list highlights some of the City’s accomplishments during FY 2014:

- 8 homes were rehabilitated through HOME funds,
- 70 affordable rental units were constructed through HOME funds,
- 92 families were assisted with purchasing their homes through HOME funds,
- 245 exiting and newly established microenterprise businesses (5 or less employees, inclusive of owner) were assisted with CDBG funds,

- 1,968 unique homeless individuals were provided shelter through the use of CDBG and ESG funds,
- 278 homeless individuals and family members moved from homelessness to permanent housing with ESG funds,
- 331 persons living with HIV/AIDS were assisted with subsidized housing through HOPWA funds,
- 374 households with HIV/AIDS received supportive services through HOPWA funds,
- 257 households benefited from free minor rehabilitation projects within their home (inclusive of home security repairs, weatherization, energy-efficiency improvements and other such improvements) through the use of CDBG moneys,
- The City continued to operate a Fair Housing Hotline that City residents may call if they believe they have been denied housing or the opportunity to apply for housing in the City because of being in a protected class.

During FY 2014, City staff continued working with the Consolidated Plan Advisory Board (CPAB) to increase citizen participation and improve the CDBG application submittal and evaluation process. The



CPAB, composed of members appointed by City Council members, met a total of 12 times. All the meetings were open to the public and agendas were distributed via e-mail, internet posting, and hardcopy posting. Meeting notes summarizing the discussion items and actions taken were posted online and made available at subsequent meetings to keep interested parties informed. The CPAB meetings provided a consistent and effective forum for citizens to participate in the CDBG process, kept appraised of the HOPWA, ESG and HOME programs and projects as these are implemented and served as a place for HUD Programs staff to present and update administrative and programmatic matters and obtain public feedback.

Image 1: Members of the public and staff attending a CPAB meeting in August 2014

Members of the CPAB reviewed applications for FY 2015 CDBG funding and made recommendations to the City Council regarding which activities and programs to fund in order to meet the goals and objectives stated in the Con Plan.

During FY 2014, City staff continued its work towards preparation of the next Consolidated Plan (covering the July 1, 2014 through June 30, 2019 period) which subsequently completed and submitted to HUD in May of 2014. The Con Plan update process began in July of 2013 with the development of the scope of work for a consultant team to assist City staff in its preparation and public outreach activities. A Request for Qualifications and Proposals was then released in August of 2013. In October of 2013, the City contracted the services of a consultant firm which was selected through a competitive process and immediately engaged in an extensive community outreach program. In the fall of 2013, City staff conducted some initial public outreach during the Consolidated Plan Advisory Board (CPAB)

meetings and also held public workshops (exclusively devoted to engaging the public and solicit input for the Con Plan) in the communities of Barrio Logan, City Heights and Southeastern San Diego. Additional outreach was done by attending regularly held community meetings in Linda Vista and San Ysidro. Finally, a meeting was also held to get input exclusively from previous sub-grantees.

Based on the information gathered through the community forums, surveys and other source data, the FY 2015 – FY 2019 Con Plan goals were developed and approved by the City Council on December 17, 2013. After further work, outreach and research during early 2014, the draft FY 2015 – FY 2019 Consolidated Plan and the FY 2015 Action Plan were presented and discussed at public meetings held by the Public Services and Livable Neighborhoods City Council Committee (PS&NL) in March of 2014 (PS&NL voted unanimously to forward the Plans to the City Council for approval) and the CPAB in April (CPAB voted 5-4-0 to forward the Plans to the City Council with a recommendation to approve). The April CPAB meeting was held during the 30-day public review of the Plans which had begun on April 1st. Finally, the 2015 – FY 2019 Con Plan and FY 2015 Action Plan were presented and discussed at a City Council public meeting on April 28 –the Council voted 7-1-1 for its approval. The Plans were subsequently submitted to HUD on a timely



Image 2: Community forum flyer developed for the 2015-2019 Consolidated Plan.

In addition to the CPAB public meetings, the City and/or its partner agencies (the San Diego Housing Commission and the County of San Diego) engaged and received feedback from the public and other community stakeholders in FY 2014 regarding the implementation of its HUD-funded programs through active participation in various collaborations and public bodies, such as the City Council, the City Council’s Public Safety and Livable Neighborhoods Committee, the Board of the San Diego Housing Commission, the Community Planners Committee, the Regional Continuum of Care Council (on homelessness), the Joint City/County HIV Housing Committee, and the San Diego HIV Health Services Planning Council.

The City successfully leveraged its efforts towards economic development, public services and affordable housing funded through the CDBG, HOME, ESG, and HOPWA programs with other varied sources in FY 2014. Some of these leverage efforts included programs/projects of the former Redevelopment Agency which were recognized as enforceable obligations through the state’s oversight process; the Inclusionary Housing Fund; the Housing Trust Fund; the HUD Lead Hazard Control Grant; the HUD Healthy Homes Demonstration Grant; various federal stimulus programs; Maintenance Assessment Districts; the Storefront Improvement Program; and the San Diego Regional Enterprise Zone. In addition, the City’s Office of ADA Compliance and Accessibility remained active in improving access in various forms to persons with disabilities in the City and the Commission on Gang Prevention and Intervention successfully worked with various stakeholders, government agencies, and

the community to prevent and curb gang-related violence and related urban issues that impact low-income communities disproportionately.

The Outcome Performance Measurement Framework

Before engaging into further details about the FY 2014 assessment of HUD-funded programs under the Con Plan, it is important to note that as of October 1, 2006, all HUD-funded activities must fit within the Outcome Performance Measurement Framework to provide standardized measurements nationwide. The framework consists of a matrix of three objectives (i.e., Decent Housing, Suitable Living Environment, and Economic Opportunity) and three outcomes (i.e., Availability/Accessibility, Affordability, and Sustainability) as shown below:

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Table 3: Outcome Performance Measurement Framework

	Outcome #1 Availability/Accessibility	Outcome #2 Affordability	Outcome #3 Sustainability
Objective #1 Decent Housing	Create decent housing with improved/new availability	Create decent housing with improved/new affordability	Create decent housing with improved/new sustainability
Objective #2 Suitable Living Environment	Enhance suitable living environment through improved/new accessibility	Enhance suitable living environment through improved/new affordability	Enhance suitable living environment through improved/new sustainability
Objective #3 Economic Opportunity	Provide economic opportunity through improved/new accessibility	Provide economic opportunity through improved/new affordability	Provide economic opportunity through improved/new sustainability

General Questions

1. *Assessment of One-Year Goals and Objectives*
 - a. *Describe the accomplishments in attaining the goals and objectives for the reporting period.*
 - b. *Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.*
 - c. *If applicable, explain why progress was not made towards meeting the goals and objectives.*
2. *Describe the manner in which the recipient would change its program as a result of its experiences.*
3. *Affirmatively Furthering Fair Housing*
 - a. *Provide a summary of impediments to fair housing choice.*
 - b. *Identify actions taken to overcome effects of impediments identified.*
4. *Describe other actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.*
5. *Leveraging Resources*
 - a. *Identify progress in obtaining “other” public and private resources to address needs.*
 - b. *How federal resources from HUD leveraged other public and private resources.*
 - c. *How matching requirements were satisfied.*

Program Year 5 CAPER “General Questions” Response:

Assessment of One-Year Goals and Objectives

In addition to the goals and objectives at the national level that compose the Outcome Performance Measurement Framework as previously described, the City has established goals and objectives at the programmatic level (CDBG vs. HOME vs. ESG vs. HOPWA), which are described in the Con Plan and

amended as needed through the Annual Action Plans (refer to Appendix D for a full list of the City's goals and objectives). Appendix E provides a summary of the accomplishments at end of FY 2014 at the objectives level in aggregate form and provides similar information for the four previous fiscal years. Since this is the final CAPER due in relation to the FY 2010 – FY 2014 Con Plan, Appendix E provides data during its duration (yearly accomplishments and overall).

The City also establishes annual goals at the individual project level to facilitate each project's evaluation as it progresses and at the end of its implementation and to establish the project's scope in relation to the goals and objectives described in the Con Plan. Appendix F identifies the projects and activities that were active during FY 2014, includes descriptions of each of these and lists its accomplishments at the end of FY 2014.

Programs Intent and FY 2014 Modifications and Updates

CDBG Program:

The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974, as amended, and was enacted in 1974. The primary objective of the Community Development Block Grant program is the development of viable urban communities by providing decent, safe, and sanitary housing and expanding economic opportunities, principally for persons of low and moderate income.

Modifications and Updates: As reported in the FY 2013 CAPER, the City established a policy in September of 2012 to automatically set aside a portion of its annual CDBG funds for public services in an amount not to exceed \$1,318,078 for homeless-related programs and services. The set-aside policy further implements the City's desire to address the needs of its most vulnerable citizens, and realigns the City's priorities in the use of its CDBG public services funds in conjunction with ESG funds. This policy continued to be in effect during FY 2014 and CDBG funds earmarked for public services were allocated accordingly.

As reported in the FY 2013 CAPER, Objective 12.2 of the Con Plan was refined to incorporate additional outcomes regarding fair housing that were developed in consultation with its fair housing service contractors. The additional outcomes enhanced the City's ability to measure its progress on furthering fair housing knowledge, practices, and enforcement throughout its HUD-funded projects and programs. These revised outcomes are also addressed in the FY 2014 CAPER.

Additionally, during FY 2014, the CDBG application process was for the first time divided into a two-step process requiring submittal of a response to a Request for Qualifications (RFQ) and qualified organizations were then invited to respond to a Request for Proposals (RFP). Many applicants from previous fiscal years noted that the revised application process was generally more expeditious and user-friendly. Note that while this change was implemented during the FY 2014 year, it applied to the FY 2015 CDBG application process.

HOME Program:

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

Modifications and Updates: During FY 2014, the City's approach to allocating and administering its HOME funds remained largely unchanged from the previous year's reporting period and reflected the needs of the community, based on the FY 2013 Annual Action Plan objectives. In FY 2012, the City, grantee of the HOME funds, and the San Diego Housing Commission (SDHC), administrator of the HOME funds, entered into a memorandum of understanding (MOU) to formalize their long-standing relationship. The MOU clarifies the roles and responsibilities of each party and addresses the shared expectations relating to the stewardship of the HOME funds. Said MOU is still in effect.

The approval to use HOME funds in a manner consistent with the goals and objectives of the Con Plan continues to be granted by a 7-member SDHC Board of Commissioners and by the City Council acting as the Housing Authority of the City of San Diego. The process for determining which activities were funded and the amount of funding for each activity type, during the FY 2014 year was based on needs and priorities as outlined in the FY 2010 – FY 2014 Con Plan, input from the community during public hearings and other meetings, budgetary considerations and overall economic conditions affecting the City. The program activities are communicated through a series of regular meetings with the development community and social service providers and by participating in local, regional, and national housing events. The SDHC releases Notices of Funding Availability (NOFAs) to solicit project proposals that are consistent with the Con Plan's goals and objectives and the HOME program's requirements.

ESG Program:

The Emergency Solutions Grant (ESG) program is authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 113711378). ESG funds may be used for rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless and for homeless prevention and rapid re-housing assistance. According to HUD guidelines, 40% of ESG funds must be allocated to fund rapid re-housing activities and 60% of ESG funds can be used to fund shelter related activities and services. Further, ESG activities must be coordinated with the local homeless Continuum of Care, referred to as the CoC (refer to the "Homeless Needs" section for further details on the Regional CoC).

Modifications and Updates: During FY 2014, the City's approach to allocating and administering its ESG funds remained largely unchanged from the previous year's reporting period and reflected the needs of the community, based on the FY 2014 Annual Action Plan objectives. As in previous years, the use of ESG funds in a manner consistent with the goals and objectives of the Con Plan and HUD standards

continues to be coordinated with the Regional CoC. Ultimately, ESG funds are allocated by City Council action during public hearings.

It is important to note that in FY 2013, HUD released a second allocation of funding designed to provide rapid re-housing opportunities to homeless individuals and families. Under the recently instituted changes to the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act regulations, the emphasis is on ensuring that homeless people spend less time on the streets, in shelters, or in transitional housing. The FY 2013 allocation provided financial resources to house some people as rapidly as possible. The SDHC designed a security deposit program for homeless and chronically homeless people who were being awarded VASH vouchers and sponsor-based vouchers. As a result of this funding, 134 homeless households were provided with security deposits enabling them to get housed as quickly as possible during FY 2014. The SDHC also contracted with five local non-profits to provide financial, housing locator, and case management resources to assist 144 homeless individuals and families leave shelters and transitional housing to gain permanent housing.

During FY 2014, 134 homeless households were provided with security deposits enabling them to get housed as quickly as possible.

HOPWA Program:

The HOPWA program, established in 1992, provides funds for individuals living with HIV/AIDS and their families so that they can secure affordable housing and benefit from certain services. HOPWA funds may be used to assist all forms of housing designed to prevent homelessness for persons living with HIV/AIDS, including emergency housing, shared housing arrangements, apartments, single room occupancy (SRO) dwellings, and community residences. Appropriate supportive services must be provided as part of any HOPWA assisted housing.

Legislation requires that HOPWA funds be awarded to the most populous city within each eligible metropolitan area. As such, the City of San Diego is the recipient of HOPWA funds intended to benefit the region at large. During FY 2014, the City continued to maintain an MOU with the San Diego County Department of Housing and Community Development (HCD) to administer the HOPWA funds.

Modifications and Updates: As in previous years, the County of San Diego administered HUD's HOPWA FY 2014 allocation and continued to manage projects/programs still active during FY 2014 supported with funding from previous years. Funds were expended in direct service contracts with agencies and non-profit organizations which provided direct services to low-income persons with HIV/AIDS and their families. HOPWA funds are typically disbursed through a Request for Proposals (RFP) process and are typically awarded for one year with two 1-year renewal options. Contracts are renewed based on the agency's performance and the availability of funds. Funding is directed to agencies throughout the County of San Diego providing eligible activities that meet the Con Plan's goals and objectives while following the federal intent of the HOPWA program.

Fair Housing: Impediments and Progress during FY 2014

In accordance with the Con Plan submittal regulations of HUD, the City participated in a regional effort involving all 19 jurisdictions in San Diego County to update the San Diego Regional Analysis of Impediments to Fair Housing Choice (AI). This analysis identified constraints to reducing discrimination based on: race, color, national origin, ancestry, religion, gender, familial status (presence of children), physical or mental disability, age, sexual orientation, source of income, marital status, medical condition, or any other arbitrary factor. Following is a summary of the impediments at the San Diego County level and the City level, as identified in the 2010-2015 San Diego Regional AI:

San Diego Countywide

- Lack of availability of outreach and educational materials throughout portions of the San Diego region.
- Many small property owners lack knowledge of fair housing laws and landlord rights and responsibilities.
- There is an underrepresentation among certain minority groups in the homebuyer market and observed disparity in loan approval rates.
- There are recurring rental/home market application denials due to credit history and financial management factors.
- Discrimination against persons with disabilities and based upon national origin or familial status is persistent and increasing.
- There are significant patterns of racial and ethnic concentration within all jurisdictions of the County of San Diego.
- There is an overconcentration of Section 8 Voucher use in specific geographic areas.
- The availability of accessible housing for persons with disabilities is limited.
- There is no Universal Design Ordinance.
- Lead-based paint hazards often disproportionately affect minorities and families with children.
- Collaboration among jurisdictions and fair housing service providers in addressing service gaps needs improvement.
- Inconsistent tracking of fair housing data makes comparison and trend analysis difficult.
- There are disparities in providing high-quality fair housing services across the region.
- There is a need for proactive testing audits for discrimination in the housing market, rather than relying on complaint-driven testing.
- Substandard housing conditions tend to impact minority households disproportionately.
- Additional funds for fair housing service providers to conduct fair housing testing services are needed.

San Diego Citywide

- The City does not permit emergency shelters by right in at least one zoning district where adequate capacity is available to accommodate at least one year-round shelter.
- The City's Zoning Ordinance does not include a definition of supportive housing, but it is permitted as regular housing.
- There is a high concentration of Section 8 Housing Choice Voucher use in various ZIP codes throughout the City.

The City is committed to take action in order to reduce the impediments to fair housing identified in the 2010-2015 AI. To further address these impediments, during FY 2014, the City continued to engage two fair housing services providers through a multi-year contract: the Housing Opportunities Collaborative and Legal Aid Society of San Diego, Inc.

The Housing Opportunities Collaborative offers services in the component areas of general community outreach and education to historically underrepresented communities; technical training opportunities for housing provider, lender, and insurance industries; maintenance of a fair housing discrimination intake process; and collaborations and/or linkages with other entities, which further strengthen fair housing activities in the City.

The Legal Aid Society of San Diego, Inc., offers services in the component areas of technical training opportunities for fair housing testers; complaint-based and random testing; education for homebuyers and tenants on fair housing rights; maintenance of a fair housing discrimination investigation and enforcement process and collaborations and/or linkages with other entities, which further strengthen fair housing activities in the City.



The City continues to support the San Diego Regional Alliance for Fair Housing (SDRAFFH), formerly the Fair Housing Resource Board, which disseminates information about fair housing rights and responsibilities or offers related services. The City of San Diego was instrumental in the design and launch of the SDRAFFH's inaugural website in April 2014 (during Fair Housing Month).

Refer to Appendix M for more details on the impediments identified and the actions taken by the City during FY 2014 to address those impediments. Highlights of these actions include:

- 2916 multilingual information brochures distributed;
- 841 fair housing inquiries received;
- 107 unduplicated housing discrimination complaints received;
- 57 unduplicated investigations implemented;
- 48 unduplicated investigations resolved;
- 50 random, paired fair housing tests conducted;
- 21 new fair housing testers trained;
- 4 fair housing workshops conducted for home seekers, homebuyers and tenants;
- 1 fair housing workshop conducted for property managers and landlords;
- 6 fair housing training sessions conducted for non-profit agencies as well as CDBG Program staff;



Image 3. Fair Housing Proclamation Day presented by Council President Todd Gloria with representatives from Legal Aid, Housing Opportunities Collaborative, Time Warner, Cox Cable, Shelter to Soldiers and City staff.

- Staff participated in 7 public/community events; and,
- Staff participated in related workshops with a total of 356 attendees.

Other Actions to Address Obstacles to Meeting Underserved Needs

The downturn in the economy that began in the latter part of 2006 exacerbated needs of the region that can't possibly be addressed exclusively with resources funded through the HUD entitlement programs. Because of the recession's effect on the public sector (18% of the economy¹) and other industries key to the economic vitality of the region, the recovery started later for San Diego than for many other parts of the county. The City of San Diego resources, as well as many other cities in California, were also severely cut back with the termination of the State's redevelopment program in early 2012.

With that said, the technology sector is leading job creation in the region and unemployment continues in a downward trend. Current data show an upward trend in economic indicators, suggestive of a recovery that is sustaining. San Diego's growth in the last few years has generally outpaced the nation, although forecasts for the year put San Diego's growth rate (1.8%) behind the state (2%) and the nation (2.2%)². While there are many positive trends, the costs to address the needs of many San Diego families and individuals far surpass the federal and state resources made available to local governments.

With shrinking resources, the City is becoming increasingly judicious regarding how those funds are spent. The City is instituting performance metrics (for previous sub-recipients) as part of the CDBG applications' review process as well as awarding points to those CDBG applicant agencies that can leverage their CDBG funds with other resources.

Additionally, the City (as well as the Housing Commission and the County of San Diego) continues to actively pursue funds from other sources to leverage its CDBG, HOME, HOPWA, and ESG grant funds. Refer to the "Leveraging Resources" section below for a description of other funds obtained and programs implemented by the City or its partners in the areas of housing, economic development, homeless and community development activities, and federal stimulus programs.

In addition, refer to the "Other Narrative" section of this CAPER for a description of the City's efforts to improve accessibility to its facilities, activities, benefits, programs, and services for those with disabilities, and on its efforts to reduce and preclude gang-related violence and issues.

Leveraging Resources

As a jurisdiction with substantial affordable housing and community development needs, the City strives to leverage its CDBG, HOME, ESG, and HOPWA entitlement grants with a variety of non-CPD funding sources and programs to maximize the effectiveness of available funds. The availability of these local, state, and non-profit resources and programs have served to improve the City's ability to

¹ National University System Institute for Policy Research, Economic Ledger, Feb. 2014.

² Ibid.

address community development needs. Appendix O provides details regarding leverage about projects and programs funded with CDBG funds.

Following are the non-CPD funding sources and programs in the areas of housing, economic development, homeless/community development, and federal stimulus programs that leverage the City's CDBG, HOME, ESG, and HOPWA entitlement grants:

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Leveraging Housing Activities:

Details follow regarding some of the programs administered by City and the Housing Commission intended to improve access to affordable housing, which leverage similar activities funded with CDBG, ESG and HOME moneys:

- Closing Cost Assistance Grants:** These programs are available to first-time homebuyers purchasing market-rate and affordability-restricted homes in the City of San Diego. The assistance is offered to families earning 80 to 100 percent of the area median income (AMI) and the grant amounts are between 4 percent and 6 percent of the purchase price. Grant funds are capped at \$15,000 and must be repaid if the home is sold, refinanced, or ceased to be occupied by the grantee within the first six years of ownership.
- Mortgage Credit Certificate Program:** The Mortgage Credit Certificate (MCC) Program allows a qualified homebuyer a credit each year on their federal income tax, in an amount equal to 15 to 20 percent of the mortgage interest paid that year. MCC reduces the borrower's federal income tax liability through a direct credit, thus increasing the income available to qualify for a mortgage loan.
- Deferred Payment 3% Interest Loan Program:** This program is available to first-time homebuyers purchasing market-rate and affordable homes in the City. The assistance is offered to families earning 80 to 100 percent of the AMI. The deferred payment 3 percent interest loans have a term of 30 years. No monthly payment of principal or interest is required. The loan amount for market-rate homes (80 to 100 percent of the AMI) and affordable homes (100 percent of the MI) is 17 percent of the purchase price. The loan amount for buyers of affordable units earning 80 percent or less of the AMI is 25 percent of the purchase price.
- Mobile Home Repair Grants:** Mobile home owners earning up to 60 percent of the AMI may be eligible for one-time-only grants of up to \$5,500 for the repair of health and safety hazards; such as roofing, plumbing, electrical, heating, broken windows, and porch repair.

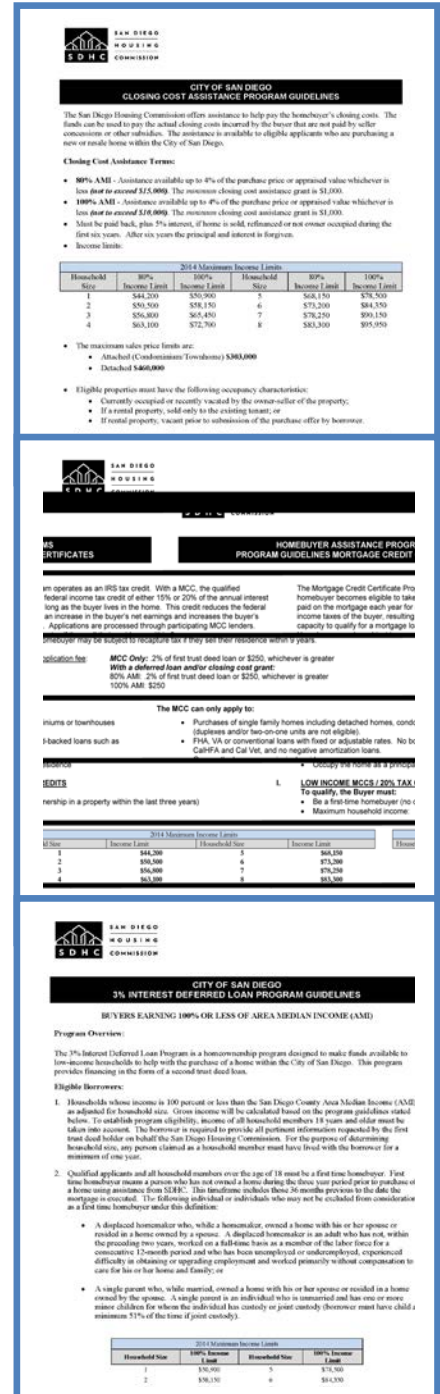


Image 4: Marketing flyers for the Closing Cost, Mortgage Credit, and 3% Interest Loan affordable housing programs.

- No Interest (0%) Deferred Payment Loans: Home repair loans are offered to very low-income (below 60 percent of the AMI) owner-occupants of 1-unit properties Citywide up to \$25,000 to eliminate health and safety hazards and implement neighborhood improvements. Full repayment of principal is required upon future sale, further encumbrance, or non-owner occupancy, or 30 years from the date of the loan, whichever occurs first.
- Multi-Family Bond Program: This program offers below-market financing to developers of multi-family rental projects that set aside a portion of the units in their projects as affordable housing. Activities eligible for financing include new construction, acquisition, and rehabilitation of projects located in the City. Specifically, a project is eligible for tax-exempt multi-family bond financing if one of the following conditions is met:
 - A minimum of 20 percent of the units must be set aside for occupancy by households earning up to 50 percent of the AMI, as adjusted for family size; or
 - A minimum of 40 percent of the units must be set aside for occupancy by households earning up to 60 percent of the AMI, as adjusted for family size.

In addition, state law requires that a minimum of 10 percent of the units be set aside for occupancy of households earning up to 50 percent of the AMI, as adjusted for family size. As a result, projects financed with tax-exempt bonds must set aside at least 20 percent of the units at 50 percent of the AMI, or 10 percent of the units at 50 percent of the AMI and 30 percent of the units at 60 percent of the AMI.

- Multi-Family Rental Development Program: Under the Multi-Family Rental Development Program, loans serve as gap financing to supplement private equity and debt for multi-family housing developments either through new construction or acquisition/rehabilitation. In exchange for below-market interest rates and favorable repayment terms, the developer agrees to restrict rents on a certain number of units for 55 years or longer.
- Density Bonus Program: This state-authorized program is designed to provide a density bonus and up to three regulatory concessions to developers in exchange for reserving a percentage of housing units for low- and moderate-income or senior households for specified periods of time.
- Affordable Housing Fund: The City's Affordable Housing Fund is a permanent, annually renewable source of funds to help meet the housing assistance needs of the City's very low- to moderate-income households. The Affordable Housing Fund covers two programs described below:
 - **Inclusionary Housing Fund**: San Diego adopted a Citywide Inclusionary Housing Ordinance in July 2003. Pursuant to the ordinance, 10 percent of new residential development must be made affordable to households earning up to 100 percent of the AMI for for-sale units or 65 percent of the AMI for rental units. A fee determined by the

square footage of the proposed development may be paid in-lieu of building the affordable units. These fees are deposited into the Inclusionary Housing Fund and are used for construction of new affordable housing stock and other programs if approved by the City Council in the Affordable Housing Fund Annual Plan.

- **Housing Trust Fund:** The Housing Trust Fund was created by City Council ordinance on April 16, 1990. The Housing Trust Fund receives most of its funding from an impact fee on commercial development. Housing Trust Fund monies can be used in a variety of ways, including loans, grants, or indirect assistance for the production and maintenance of assisted units and related facilities. To comply with the ordinance, Housing Trust Fund monies must be allocated as follows: (1) at least 10 percent to Transitional Housing; (2) at least 60 percent to very low-income households (defined as households with incomes at or below 50 percent of the AMI); (3) no more than 20 percent to housing for low-income households (defined as households with incomes between 50 and 80 percent of the AMI); and (4) no more than 10 percent to moderate-income first-time homebuyers.
- **Coastal Affordable Housing Replacement Program:** This state-authorized program is designed to provide replacement housing for development that displaces low- or moderate-income households from housing units located in the Coastal Overlay Zone (i.e., condo conversions and demolition of rental units).



Image 5: Presentation slide from SDHC with before and after pictures of Otay Villas Apartments

Public Housing: In FY 2014, the Housing Commission completed the adoption of 78 units into the Public Housing program as part of the transition of 113 State subsidized units into the Public Housing program. The Date of Funding Availability (DOFA) for the Otay Villas Apartments was October 31, 2013. Refer to the “Public Housing Strategy” section of this CAPER for more information.

Rental Housing Assistance Program (Section 8): The SDHC administers a variety of federally funded affordable housing programs and services, including the Housing Choice Voucher (Section 8) Program, which provided rent subsidies to more than 14,000 low-income families in the City of San Diego in FY 2014. SDHC is one of only 39 public housing authorities nationwide (out of 3,400) to earn a “Moving to Work” (MTW) designation from HUD. This designation allows SDHC certain regulatory exemptions from the Housing Choice Voucher and public housing programs. It permits SDHC to combine operating, capital and rental assistance funds. This provides flexibility to create and test innovative programs that address San Diego’s unique housing needs and to further assist our Housing Choice Voucher households.

The Housing Commission's Rental Assistance Division manages the rental assistance programs and is also dedicated to assisting families with supportive services and individualized case management to encourage economic independence at SDHC's Achievement Academy. The 9,600-square-foot SDHC Achievement Academy is a state-of-the-art learning and resource center and computer lab available at no charge to families receiving federal Housing Choice Vouchers (Section 8) and public housing residents. The SDHC Achievement Academy emphasizes career planning and improving job skills to achieve self-sufficiency. Workshops include Financial Education, Life Skills, Workforce Readiness, Computer Literacy, Job Recruitments and more.

Single Room Occupancy (SRO) Program: SROs provide housing opportunities to homeless or nearly homeless individuals (with very low-income). The City established an SRO hotel ordinance in an effort to replace the existing stock of SRO hotel rooms and provide relocation assistance to tenants displaced as a result of SRO's closures. The City continues to support the development of SROs, living units, or housing affordable to very low-income households, especially in locations in close proximity to transit.

Former Redevelopment Agency Housing Programs: The Redevelopment Agency of the City of San Diego (RDA) was dissolved as of February 1, 2012, in accordance with state law. Assembly Bill 26 (the "Dissolution Act") terminated all redevelopment activities and restricted the authority of redevelopment agencies to take actions, incur new or increased debt, obligations and provided for the establishment and designation of successor agencies and oversight boards to "unwind" the affairs of the dissolved redevelopment agencies. Generally, in accordance with the legislative provisions, *successor agencies carry out enforceable obligations* of the former redevelopment agencies while oversight boards supervise and direct certain activities of the successor agencies (in accordance with California Health and Safety Code sections 34180 and 34181).

On January 10, 2012, the City Council designated the City to serve as the Successor Agency for the purposes of winding down the former RDA's operations, to retain the former RDA's housing assets and assume housing responsibilities pursuant to AB 26. In June of 2012, the City also established *Civic San Diego* (a non-profit corporation) to assist the City in its capacity as Successor Agency and pursue certain economic development activities on behalf of the City.

During FY 2014, the following housing projects were advanced with former Redevelopment Agency and/or City funding as reported by Civic San Diego:

- Alpha Square: On June 25, 2013, the City Council approved Disposition and Development Agreement (DDA) for Alpha Square, a 203-unit affordable housing project on the eastern half a downtown site owned by the City. The City committed a loan in the amount of \$17,160,000 to subsidize development of the project. The project site is leased to the developer through a long-term ground lease. Of the 203 housing units, 193 units are designated as replacement units for the existing Hotel Metro, a dilapidated Single Room Occupancy (SRO) Hotel located a few blocks from the proposed site. The developer, a partnership between the Alpha Project and Chelsea Investment Corporation, successfully secured nine percent tax credits for the project in October 2013. The City's loan documents and ground leases were executed in March 2014, and the project is currently under construction with an anticipated completion date in

the fall of 2015. The project will include 76 supportive housing units targeted for adults with special needs who are at risk of homelessness.

- **Atmosphere:** During FY 2014, Civic staff and Wakeland Housing and Development Corporation have further advance this project approved for a DDA on June 4, 2013 by the City Council. Atmosphere consists of a 205-unit affordable housing project in a 12-story building proposed on a 32,000 square-foot lot owned by the City in the Cortez district. The City committed a loan in the amount of \$11,600,000 to subsidize development of the project. The City will enter into a long-term ground lease with the developer at loan closing. The development will include 202 affordable units, 51 of these are proposed to be set aside as supportive housing units for the formerly homeless and special-needs population at risk of homelessness. The remainder of the affordable units will consist of one to three bedrooms housing targeted for families. The developer, Wakeland Housing and Development Corporation, successfully secured an Infill Infrastructure Grant from the state in the amount of \$3.1 million, MHSA funding from the California Housing Finance Agency in the amount of \$3.5 million and a development loan by SDHC in the amount of \$3 million. Additionally, SDHC committed 51 Project Based Section 8 Vouchers for the supportive housing units. The developer submitted an application for the nine percent tax credits in July 2014 (the first round). If successful, the developer will begin construction in April 2015.
- **COMM 22:** The Commercial and 22nd Street Project (COMM22) in the Logan Heights community is a mixed-use, transit oriented development combining affordable family and senior rental housing with day care facilities, community-serving commercial and retail space, office space, market rate live/work lofts, and for-sale townhomes. The lofts will be housed in a rehabilitated warehouse building, with the remainder of the development consisting of new construction. The development will also include enhanced plaza areas for public gathering, strong pedestrian connectivity throughout the site and convenient access to public transportation. The project was funded with multi-family mortgage revenue bonds, a HUD 202 loan, a SDHC loan and a variety of other moneys inclusive of state funds and tax credit capital. During FY 2014, construction was advanced to reach the 65% threshold. Completion of the 130 affordable Family and 70 Senior Homes is scheduled for December 2014. The City as Housing Successor provided a loan of \$9.255 million for the 130 affordable family housing units that will include 13 supportive housing units targeted for transitional age youth with special needs who are at risk of homelessness.
- **HELP Program:** Civic San Diego completed rehabilitation of 30 homes owned by low and moderate income homeowners, providing \$564,947 of Housing Enhancement Loan Program (HELP Program) funds leveraged with \$177,649 of homeowner and Housing Commission funds. Civic San Diego provided additional funding in the amount of \$1,096,035 for future HELP Program home repairs. The HELP Program improves and preserves the supply of existing homes occupied by low and moderate income homeowners. Housing rehabilitation improvements included interior and exterior repairs for health and safety issues, as well as improving general home conditions, enhancing curb appeal, and reducing energy and water consumption.

Low-Income Housing Tax Credits (LIHTC): The LIHTC program, which is based on Section 42 of the Internal Revenue Code, was enacted by Congress in 1986 to provide the private market with an incentive to invest in affordable rental housing. Federal housing tax credits are awarded to developers of qualified projects. Developers then sell these credits to investors to raise capital (or equity) for their projects. The tax credits are awarded to individual projects based on a competitive process. The City, through its housing and community development agencies, continued to assist local affordable housing projects compete for LIHTCs through FY 2014.

For the development of multi-family affordable housing, the SDHC also leverages money from a wide variety of sources, including the state of California, local Housing Trust Funds, inclusionary housing and coastal funds, and proceeds from the issuance of multifamily housing revenue bonds. The state's Cal HOME program money is used for first-time homeowners, and local loans and grants provide financial assistance for homeowner rehabilitation activities. The large degree of leveraging has earned the City a number one ranking with other participating jurisdictions out of a pool of 94 in the state of California in terms of leveraging ratio for rental activities, according to the latest Performance SNAPSHOT HUD report.

Economic Development Activities

Details follow regarding some of the economic development activities administered by City which leverage similar activities funded with CDBG moneys:

Revolving Loan Programs: The City continues to utilize Economic Development Administration (EDA) funds to implement a suite of revolving loan programs available to expanding small- to mid-size businesses and entrepreneurs in the form of gap financing. The San Diego Regional Revolving Loan Fund (SDRRLF) and the Small Business Micro Revolving Loan Fund (SBMRLF) programs are designed to address the capital access needs of small businesses in the region. The SDRRLF regional boundary includes the city of Chula Vista, while the SBMRLF boundary is limited to the City of San Diego.

Commercial Revitalization: The City's Office of Small Business supports small business development and commercial revitalization via self-assessments and special grants:

- Property Assessment Districts:** As part of commercial revitalization efforts, the City's Economic Development Department has established nine property assessment districts with a combined income of over \$8.2 million annually. The assessments funds provide direct and special benefits to property owners in older commercial corridor areas of the City. Activities include maintenance of landscaped and paved medians, landscaped right-of-ways and slopes, open space, parks, ponds, flood control channels, monuments, decorative street lighting, decorative gates, signage, and banners, as well as cleaning of curbs and gutters, sweeping sidewalks, provision of security services, and monitoring.



- **Storefront Improvement Program:** The Storefront Improvement Program revitalizes commercial building façades visible from the public right-of-way. The City provides design assistance and financial incentives to small business owners who wish to rehabilitate or upgrade their storefronts. Every year, the program is open to small businesses (12 or fewer employees) located in the City with a current Business Tax Certificate. In FY 2014, the City assisted 13 businesses/property owners with a total of \$65,906, leveraging \$284,400 of private investment. In an effort to reach out to more small businesses, City staff gave program presentations at two micro-business district member meetings and functions.

Redevelopment: As noted above, redevelopment agencies in California were dissolved in FY 2012 but certain economic development projects and programs continued to move forward in FY 2014. These grandfathered projects and programs continued to complement CDBG-funded activities related to neighborhood revitalization. In FY 2014, these activities included public improvements within the public right-of-way.

On September of 2013, Civic San Diego also got approval from the City Council to provide a Market Tax Credit loan to the YMCA of San Diego County, for the construction of a new, state-of-the-art YMCA facility in the community of City Heights. The YMCA combined this funding with state and federal grants as well as charitable contributions, including the donation of the land from Price Charities, to make the long-planned project a reality. The new Copley-Price Family YMCA, at the corner of Fairmount Avenue and El Cajon Boulevard, will be an important addition to the City Heights community. The 53,000-square-foot facility will feature an aquatics center, a fitness center, group exercise studios, a teen center, a gymnasium, a soccer arena, a computer lab, and other amenities intended to serve the diverse community.



Image 6: Groundbreaking ceremonies for the Copley-Price Family YMCA on El Cajon Boulevard.

In addition, Civic San Diego received \$23 Million in federal New Market Tax Credits in FY2014 and awards of \$3,070,730 from other sources as follows:

- SANDAG Smart Growth Incentive Program (Way-finding signage – \$335,000; East Village Green – \$300,000 and Island Avenue Mobility – \$1,000,000.00);
- SANDAG Active Transportation (Downtown Mobility Study – \$300,000.00); and,
- State of California Prop 84 Strategic Growth Council’s Urban Greening Grants (\$635,730 for the Southcrest Trails Park located in Southeastern San Diego).

HUD Lead Hazard Control Grant: This grant funding is intended to reduce lead hazards in residences occupied or frequently visited by children under six years of age. Through this program, funding is made available for owner-occupied or rental properties with occupants under 80 percent of the AMI

and located within the City. Financial assistance is offered up to \$10,000 for single-family residences and up to \$5,000 per multi-family unit, plus \$5,000 for common areas. Refer to the “Lead-Based Paint” section for more information.

Homeless Support and Shelter Programs

Details follow regarding some of the programs administered by City and the Housing Commission which leverage similar activities funded with CDBG, ESG and HOPWA moneys:

Permanent Supportive Housing (formerly Shelter Plus Care Program): The HEARTH Act has folded the Shelter Plus Care Program into permanent supportive housing for people with disabilities (PSH). The goal of this program is to help participants: gain housing stability; increase their income; and achieve greater self-sufficiency. PSH funds are matched 25 percent by cash or in-kind supportive services from sponsor agencies. During FY 2013, the SDHC was awarded \$2.6 million in grant funds to provide 289 units of supportive housing. The SDHC partnered with sponsor agencies to provide the housing and supportive services in FY 2014. The PSH program was awarded \$2.77 million in 2014 which provided 225 units of PSH and 12 units of rapid re-housing. A total of 411 persons were served in 2014.

Neil Good Day Center (NGDC): The City provided \$550,000 in CDBG funds to operate the NGDC in FY 2014. NGDC is a day shelter that provides the homeless population in downtown San Diego with a place to check in during the day for showers, laundry, and mail and to meet with service providers for mental health and substance abuse referrals, case management, job referral services, medical referrals, benefits assistance and IDs, and shelter and housing referrals. A total of 2,884 unduplicated clients were served at NGDC in FY 2014.

Shelters and Interim Beds for Homeless Adults: Connections Housing completed its first full year of operations in FY 2014. This multi-use site offers interim and permanent housing for homeless individuals, as well as services and healthcare. Although this new housing offered additional shelter opportunities for homeless individuals on the streets of San Diego, it was determined that there was still a need for the seasonal shelters, which serve veterans and single adults. Both shelters remained open for the entire FY 2014. A combination of funding sources was used in FY 2014 to operate these seasonal shelters, which included \$235,000 in CDBG funds, \$164,954 in ESG funds and \$550,000 in General Funds.

Veterans Affairs Supportive Housing (VASH) Voucher Program: The SDHC administers the VASH voucher program and to date has been awarded a total of 620 vouchers to house homeless veterans and their families in FY 2014.

Sponsor-Based Voucher Program: The SDHC, a HUD-recognized “Moving to Work” agency, administers a sponsor-based voucher program. Seventy-five vouchers were dedicated in FY 2012 to chronically homeless populations under the Project 25 initiative (25 vouchers) and Vulnerability Index (50 vouchers). In FY 2013, these sponsor-based voucher programs continued, as well as an additional allocation of 75 sponsor-based for chronic and homeless individuals and families for a rapid re-housing effort in downtown San Diego called Blitz Week. In FY 2014, these vouchers continued to assist chronically homeless households.

Transitional Project-Based Voucher Program: In FY 2014, the SDHC continues to maintain voucher contracts with organizations that provide transitional housing of seniors (20 vouchers) and special needs adults (16 vouchers). The vouchers pay for temporary housing, which allows the sponsor organization to get their clients off the street, connect them with services, and help them gain access to permanent housing.

Serial Inebriate Program (SIP): This innovative program, founded in January 2000, was initiated as a problem-solving effort to reduce the “revolving door” through which homeless individuals go in and out of detoxification centers, county jail, and local hospital emergency rooms. This community effort brings together the justice system, police and sheriff’s departments, emergency medical services, health and human services, and treatment providers in a collaborative effort to reduce the use of costly public resources by providing certain homeless individuals with access to housing and treatment programs combined with intensive case management. Most of the clients have multiple issues, which may include addictions to multiple substances, mental and physical health issues, and cognitive and behavioral issues. Now a national model, the SIP program provides 12 beds funded by the SDHC (\$57,705 in FY 2014) and case management and treatment funded by the County of San Diego (\$253,000 in FY 2014).

Homeless Outreach Team (HOT): In operation since 2001, HOT provides outreach and engagement services throughout the City, and is the City’s initial point of contact with both chronic homeless and chronic inebriates living on the streets. The HOT Team consists of four San Diego City police officers, two County of San Diego Health and Human Services Specialists, and one Psychiatric Emergency Response Team clinician. They work Monday through Friday during the hours of 6:00 a.m. and 10:00 p.m. They have citywide responsibility, but the majority of their activity is within the downtown, Hillcrest, and beach areas of the City. In FY 2014, they had 2,075 contacts with homeless individuals, and placed 628 in shelters, housing, medical assistance facilities, or detoxification centers.

Homeless Transitional Storage Center: The Transitional Storage Center opened in February 2011 as part of a settlement agreement with the City. The Homeless Transitional Storage Center is currently operated by the Girls Think Tank and it provides a place for up to three hundred fifty (350) homeless families and individuals to safely store their personal belongings each day. In FY 2014, the City Council allocated \$50,000 to the center to be administered by the SDHC.

Rapid Re-Housing ESG Program: As previously noted, the City received a second ESG allocation directed towards re-housing. The FY 2013 allocation provided financial resources to house some people as rapidly as possible. The SDHC designed a security deposit program for homeless and chronically homeless people who were being awarded VASH vouchers and sponsor-based vouchers. As a result of this funding, 134 homeless households were provided with security deposits enabling them to get housed as quickly as possible during FY 2014. The SDHC also contracted with five local non-profits to provide financial, housing locator, and case management resources to assist 134 homeless individuals and families leave shelters and transitional housing to gain permanent housing.

Ryan White Treatment Extension Act (RWTEA): Funds from RWTEA are administered by the HIV, STD, and Hepatitis Branch of the County of San Diego’s Public Health Services with an average funding level

of roughly \$11 million per year. The two main components that are funded are Core Medical services and Support services. Core Medical services provide primary medical care, specialist medical care, mental health, medical case management, and substance abuse outpatient services to people living with HIV/AIDS (PLWHA). Support services assist PLWHA in accessing treatment for HIV/AIDS infection. All of these services are available to HOPWA clients. Most of the HOPWA housing providers require that clients have a Ryan White–funded Medical Case Manager to provide services to the client while residing in a HOPWA program. Clients also access various support services such as transportation, residential substance abuse services, short-term rental assistance, and emergency financial assistance through their Medical Case Manager. RWTEA also provides for some emergency housing services and works closely with the HOPWA funded emergency housing provider to assure that clients who go into this program use it appropriately and to their best advantage. HOPWA programs rely on the services provided by RWTEA and the working relationship has been excellent and effective.

FY 2014 Activities HUD Funded Stimulus Programs

Neighborhood Stabilization Program (NSP): NSP is a one-time supplemental CDBG stimulus grant created by the Housing and Economic Recovery Act of 2008. NSP enabled states and local governments to assist in the redevelopment of abandoned and foreclosed homes and residential properties to benefit low, moderate, and middle-income persons in those areas hit hardest by the foreclosure crisis. NSP activities include access to financing for first-time homebuyers, acquisition/rehabilitation of rental housing made available to low-income tenants, acquisition/rehabilitation and resale of homes to first-time homebuyers, redevelopment of demolished or vacant properties for low-income residents, and program administration.

Program activities were primarily implemented and completed during FY 2010 and FY 2011. In FY 2014, three low, moderate, or middle-income qualified homebuyers were assisted with acquisition and/or rehabilitation loans related to the purchase of foreclosed properties. The City fully expended its NSP grant allocation by the March 3, 2013 deadline, and the NSP program continues to generate program income, which is dedicated to the ongoing administration of NSP loans.

Match Requirements:

CDBG: Refer to Appendix O.

HOME: HUD requires the City to match 25 percent of the HOME funds used to develop affordable housing. Refer to Appendix J.

ESG: See Table 13.

HOPWA:

The HOPWA program leverages an array of funding from public and private resources that help address the needs of persons with HIV/AIDS and their families. Volunteers provide a substantial amount of service hours at many HOPWA-funded agencies. Volunteers are typically recruited from volunteer fairs or may be participants of HOPWA-funded programs, the United States Navy, local church

congregations, St. Village de Paul Village Volunteer Services, Josue Homes alumni, community-based pharmacies, local HIV service organizations, and pharmaceutical companies. Volunteers come with the desire to contribute to the program and serve the clientele. Volunteers for specific tasks, like grounds cleanup or orientation groups, were recruited through the St. Vincent de Paul Village Volunteer Services program.

For example: Mama's Kitchen, recipient of \$150,823 in HOPWA funds in FY 2014, reported that 821 volunteers provided 33,787 hours of service valued at \$836,228 and drove 127,740 miles in their own vehicles at an estimated value of \$127,470 totaling nearly \$1 million dollars in donated services. In addition to delivering 353,052 meals to 622 home delivered meal service clients in their homes; volunteers assist with meal preparation and packaging, administrative tasks and fundraising. Two major fundraising events enjoyed record return with *Mama's Day* in May and *Pie in the Sky* in

In FY 2014, Mama's Kitchen was able to leverage nearly \$1 million dollars in donated services towards its program which is partially funded with HOPWA funds

November netting over \$330,000. Another HOPWA provider reported they utilize contributions from company donations, such as Sprouts market, that donate milk, eggs, and bread once a month. Many agencies also receive in-kind contributions and cash donations and pursue fundraising efforts regularly and successfully.

The HOPWA program has been able to leverage \$2,841,061 committed from other public and private resources.

Managing the Process

1. *Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.*

Program Year 5 CAPER "Managing the Process" Response:

CDBG

Application/Action Plan Process: The City's CDBG application/allocation process was integral to ensuring robust public participation in the planning and implementation of the CDBG program in FY 2014. The City's process for the allocation of FY 2014 CDBG moneys began on October 12, 2012 when FY 2014 CDBG application packets were made available to the public under three separate categories: Community Economic Development (CED), Public Services (PS) and Capital Improvements (CIP) projects. All potential applicants were required to attend one application workshop. Four workshops were conducted by CDBG staff and City staff offered one-on-one technical assistance sessions as requested by prospective applicants.

The deadline for submission of the CDBG applications was November 14, 2012. CDBG program staff received 78 application submittals and conducted programmatic and fiscal reviews of each application packet submitted from late November 2012 through early December 2013. CDBG program staff notified applicants of any issues (inclusive of information needed to ensure eligibility) and applicant

agencies responded to requests for information, additional documentation and/or clarifications as warranted. After such responses were reviewed, a total of 69 applications were forwarded to the CPAB for scoring. The CPAB is charged with reviewing applications and providing recommendations for funding to the City Council. Nine applications were not forwarded due to: (1) ineligibility based on minimum applicable standards; (2) withdrawal by applicant agencies due to requirements and/or deadlines they were unable to meet; or, (3) the failure of applicants to respond by the deadline.

The CPAB established two Ad Hoc committees to review, score, and rank the applications. One Ad Hoc Committee focused on the applications received for Capital Improvements (CIP) as well as Community Economic Development (CED) projects and the other Ad Hoc Committee focused on the applications received for Public Service (PS) projects. After the CPAB members completed their individual review of applications, the Ad Hoc Committees convened to arrive at one score for each of the applications assigned to them at the Ad Hoc level.

The resulting scores, approved at the Ad-Hoc level, were then forwarded to the CDBG Program Office and posted on the City's website (and shared with all interested parties, including all applicants, via the CDBG email distribution list) along with information regarding public meeting which were held to discuss the Ad Hoc scoring results.

The CPAB convened a two-day publicly noticed meeting on February to arrive at their final recommendations. During this meeting, public testimony was taken and the Board then discussed the Ad-Hoc level scores. Different Board members identified a number of applications/scores which they thought warranted further discussion and motions were made accordingly. Based on the results of said motions and subsequent related discussions, several of the preliminary scores (determined at the Ad Hoc level) were subsequently adjusted both upwards and downwards. The Board also resolved score ties through the assignment of fractional points based on the FY 2014 priorities, the merits of different projects and the resulting public benefit.

On March 25, 2013, the full City Council received a staff report on the CPAB-recommended projects. Applicants and members of the public had the opportunity to make comments before the City Council determined which projects would be funded during FY 2014 and subsequently incorporated into the FY 2014 Annual Action Plan.

The draft FY 2014 Annual Action Plan was made available for public review and comment from April 2, 2013, through May 2, 2013. Within that 30-day period, the draft FY 2014 Annual Action Plan was presented to the CPAB on April 10, 2013, and to the full City Council on April 23, 2013.

Subsequently, a debrief regarding the FY14 CDBG allocation process was presented to the Public Services and Livable Neighborhoods City Council Committee on June 5th.

HOME

The City's HOME program is performing soundly, as evidenced by indicators provided in a variety of HUD-generated reports. The program's objectives and activities are communicated through a series of

regular meetings with the development community and social service providers, and by participating in local, regional, and national housing events. Efforts are underway to update the primary source of applicant funding for HOME funds—the Notice of Funding Availability (NOFA)—and to assess the goals and accomplishments of the HOME program as they relate to the Con Plan and Annual Action Plans. The approval to use HOME funds in a manner consistent with the goals and objectives of the Con Plan and Annual Action Plans continues to be granted by a 7-member SDHC Board of Commissioners and by the City Council acting as the Housing Authority of the City of San Diego.

ESG

In FY 2014, the City continued to be an active member of the Regional Continuum of Care Council (RCCC). The RCCC is a large, cooperative community group consisting of representatives of the 18 cities within San Diego County, the County of San Diego, non-profit service providers, and other interested parties. It meets on a monthly basis to identify gaps in homeless services, establish funding priorities, and pursue an overall systemic approach to addressing homelessness in the San Diego region. Participation in this forum ensures that the City's efforts to address homelessness using ESG funds and other resources are coordinated regionally, respond to the most critical needs, and take into consideration input from the public and other homeless advocates. Refer to the "Continuum of Care NOFA" section of this CAPER for details regarding the accomplishments of the RCCC during FY 2014.

HOPWA

It is the policy of the County of San Diego to ensure adequate citizen involvement in the planning, implementation, and evaluation of its housing and community development programs. In FY 2014, HOPWA program staff worked diligently with community-based organizations, government agencies and developers to establish adequate housing and support services for people living with HIV/AIDS.

Program staff continued to maintain a permanent seat on the San Diego HIV Health Services Planning Council in FY 2014, which is responsible for planning services for people living with HIV/AIDS in San Diego and for allocating funding for these services. The Planning Council met once a month in FY 2014, and all meetings were open to the public.

In addition, HOPWA program staff and City staff continued to be actively engaged in the Joint City/County HIV Housing Committee in FY 2014. The HIV Housing Committee includes members of other HIV planning groups, affordable housing developers, service providers, and consumers. It provides meaningful citizen and community participation in the planning process associated with affordable housing and related support services for person living with HIV/AIDS. The Joint City/County HIV Housing Committee serves as an advisory body to the director of the San Diego County Department of Housing and Community Development (HCD) regarding priorities and needs of the community affected by HIV/AIDS and housing. The Joint City/County HIV Housing Committee met every other month in FY 2014, and all meetings were open and public.

It is the County of San Diego's intent to provide opportunities for meaningful involvement at all stages of the process including: needs identification, priority setting, funding allocations, and program recommendations.

CPAB: In FY 2014, the CPAB met in earnest, convening 12 times. In addition to their regular purview as described in the [Municipal Code](#), board members were active working with staff to simplify the CDBG application forms and in reviewing and scoring applications for FY 2015 CDBG funds. The CPAB once again developed recommendations to the City Council regarding applications received for the FY 2015 CDBG funds and CPAB meeting gave the community at large multiple opportunities to participate in the planning and funding allocation process. Finally, CPAB meeting provided a consistent forum where staff received input from the public on a regular basis during the development of the FY 2015 – FY 2019 Consolidated Plan.



Image 7: Members of the CPAB pictured from left to right: Mr. Richard Thesing, Dr. Maruta Gardner, Ms. Valerie Brown, Ms. Vicki Granowitz, Mr. Kenneth Malbrough and Ms. Joyce Abrams. Not pictured: Mr. Earl Wong, Mr. Aaron Friberg and Ms. Nohelia Patel

Section 108 Loans: In FY 2014, the CDBG program exercised the option of redemption and prepaid the full amount plus interest due on one loan totaling \$1,135,965.79. Private developer funds were used to fully satisfy this City HUD Section 108 loan obligation. The City has one remaining HUD Section 108 loan obligation totaling \$3,801,000.

Citizen Participation

1. *Provide a summary of citizen comments.*
2. *In addition, the performance report provided to citizens must identify the federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.*

Program Year 5 CAPER “Citizen Participation” Response:

Citizen Comments

Comments and questions received during the review period, as well as City responses to all public comments, are. Members of the public, sub-recipient agencies (from both the non-profit and governmental sector), City Council staff, City Council members, and CPAB members were invited to provide comments via e-mail, telephone, and orally at public meetings.

The draft FY 2014 CAPER 15-day public review period began on September 3, 2014, and ended on September 17, 2014. Notice of the availability of the draft CAPER for review and comment was published in both English and Spanish in four community newspapers and on the City’s CDBG website. Upon its release for public review, the draft CAPER was made available electronically on the websites of the City and the SDHC. Staff also ensured that hardcopies of the draft CAPER were made available at seven different City branch libraries and community centers primarily serving low- and moderate-income communities, and at the front counters of the City’s HUD Program Administration Office and the City Clerk’s Office. The City also requested comments from community organizations and sub-recipients by noticing the CAPER availability via the City’s HUD Programs e-mail distribution list (which exceeds 400 recipients) and the e-mail included a hyperlink to the digital copy of the document. Staff also reached out via e-mail to the chairpersons of various community planning groups to notify them of the availability of the draft CAPER. City staff encouraged recipients of these e-mails to forward the e-mail as they deem appropriate.

During the public review period, the draft CAPER was presented to the City Council on September 15 and the CPAB on September 10. Both hearing provided additional opportunities for staff to consider comments and input from decision-makers, members of the CPAB, as well as the large community of stakeholders within the purview of the City’s HUD Programs Administration Office.

Citizen Participation

Goal 1 of the City’s Con Plan is to improve citizen and stakeholder participation for annual action plans. Implementation and improvement of the citizen and stakeholder participation process for annual action plans is an ongoing activity in accordance with the City’s Citizen Participation Plan. Because “improving the process” is neither defined nor results in a year-end quantifiable performance outcome, citizen and stakeholder participation activities are reported in narrative form.

In FY 2014, the City and its partner agencies (SDHC and County of San Diego) engaged and received feedback from the public and other community stakeholders regarding the implementation of its HUD-funded programs through active participation in various collaborations and public bodies, such as the City Council, the City Council’s Public Safety and Livable Neighborhood Committee, the CPAB, the Regional Continuum of Care Council (on homelessness), the Joint City/County HIV Housing Committee, the San Diego HIV Health Services Planning Council, and the Board of the San Diego Housing Commission. Refer to the “Executive Summary” and “Institutional Structure” sections of this CAPER for more information.

Funding Commitments and Expenditures

Refer to page 2 for a breakdown of the CPD funds that were granted to the City for the FY 2014 Annual Action Plan and information about the program income (HOME and CDBG) received during the same fiscal year. Table 4 below shows, per program, the total amount of funds in encumbrance and expended in FY 2014. Note that the figures presented in Table 4 below include funds granted to the City in, and carried over from, previous fiscal years.

Table 4: CPD Funds Status as Shown on IDIS Report PR 06

Program	Amount in Encumbrance *	Amount Expended during FY 2014 Only	Total Amount Available as of the End of FY 2014
CDBG	\$14,173,450	\$7,357,595	\$6,815,857
HOME	\$8,838,166	\$4,345,270	\$4,492,896
ESG	\$780,817	\$352,538	\$428,279
HOPWA	\$2,748,144	\$2,008,642	\$739,512
Total	\$26,540,577	\$14,064,045	\$12,476,544

*Encumbrance did not necessarily occur in FY 2014 and does not reflect CPD funds granted by HUD to the City of San Diego as part of the FY 2014 allocation exclusively.

Geographic Distribution

Maps illustrating the location of the CDBG, HOME, HOPWA, and ESG projects implemented in FY 2014 are attached to this CAPER as Appendix C. Note that in many instances, beneficiaries of these projects are disbursed geographically, and the points on the maps denote the locations of the sub-recipients (agencies managing specific projects) rather than the locations of the beneficiaries. For each map, a listing of the projects by funding is also included. The maps in Appendix C show the FY 2014 project sites (and/or location of sub-recipient agencies) relative to low/moderate-income census tracts and areas of minority concentration in the City. The City has defined an area of minority concentration as any census tract with a minority population that is 20 percentage points greater than that of the City's total minority percentage. In this instance, minority refers to all ethnic groups other than non-Hispanic whites. Citywide, minorities account for 45.1 percent of the total population per the 2010 Census.

Institutional Structure

- 1. Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.*

Program Year 5 CAPER "Institutional Structure" Response:

Implementation of the City's Con Plan is carried out by the City's HUD Programs Administration Office, the SDHC, and the County of San Diego. The City has memoranda of understanding with the SDHC to administer its HOME and ESG programs, and with the County of San Diego to administer its HOPWA programs. City of San Diego staff, housed within the Economic Development Department, coordinates

and manages all of the CDP funds and is responsible for their overall administration, inclusive of preparation of the CAPER and the Annual Action Plans. City staff is also responsible for the administration of CDBG funds and all related programs and projects. City staff is also charged with the overall coordination needed among HUD, the SDHC, and the County of San Diego and serves as staff to the CPAB. The City, SDHC, or the County of San Diego, as applicable, enter into contracts with sub-recipients, the majority of them being non-profit community organizations, to carry out most of its projects and programs. Regular coordination meetings among City and SDHC staff were held throughout FY 2014.

In FY 2014, the City, the County of San Diego, and the SDHC continued to bolster general staff capacity by sending them to various trainings. City HUD Programs staff logged approximately 214 hours of training cumulatively in FY 2014, while SDHC HOME staff logged approximately 75 hours. Training occurred via webinars and onsite and offsite classes, and topics included: affordable housing; eCon Planning Suite; fair housing laws and their application; Section 3 regulations and compliance; IDIS database for grantees; CDBG basics; City development approval processes including environmental review; City CDBG database and project tracking; and, tenant relocation.

In FY 2014, the CPAB meetings served as a forum not only for public engagement in implementing the FY 2010 – 2014 Con Plan and the development of the FY 2015 –FY 2019 Con Plan, but also for staff from the City, the SDHC, and the County of San Diego to share relevant information with each other and the public and solicit their input and respond to their inquiries. The CPAB meetings will continue to help enhance coordination among the three entities.



Image 8: A screen shot of the home page of the City's CDBG website featuring the 2010 LMI Census Data Maps.

In FY 2014, the City continued to maintain and update its website devoted to the CDP programs to make it more user-friendly and maintained with new information as this became available. This included regular uploads of information and documents that had been previously been disbursed during public meetings for those unable to attend.

The website also provides a section fully devoted to the CPAB which includes the CPAB Ordinance, a listing of the Board members and related information, meeting agendas and meeting minutes. The minutes are often accompanied by copies of presentations and responses to questions or requests for information that arose at meetings.

The page features the Fair Housing Hotline (1-800-462-0503) that citizens may call if they believe they have been denied housing or the opportunity to apply for housing in the City because of being in a protected class. The page also features monthly calendars of fair housing-related events, issues of the City's *Practice Fair Housing* newsletter, the City's fair housing informational brochure available in five languages (English, Spanish, Tagalog, Chinese, and Vietnamese) and includes a link to the Fair Housing Public Service Announcement developed during FY 2014. In addition, a page dedicated to Section 504

of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities conducted by HUD or that receive financial assistance from HUD continues to be maintained. The website provides information on how any person with a disability who feels himself or herself a victim of discrimination in a HUD-funded program or activity may file a complaint with the City's Section 504 Administrator.

In FY 2014, the City continued to be an active member and a Lead Agency of the RCCC. The RCCC is a large, cooperative community group consisting of representatives of the 18 cities within San Diego County, the County of San Diego, non-profit service providers, and other interested parties. It met on a monthly basis to identify gaps in homeless services, establish funding priorities, and pursue an overall systemic approach to addressing homelessness in the San Diego region. During FY 2014, the RCCC underwent a major structural change with the creation of a Governance Board to direct policy decisions and activities. The current San Diego City Council President, Todd Gloria, is a member of this Governance Board. The full membership of the RCCC will now meet on a quarterly basis in order to implement policy direction from the Governance Board. Participation in the RCCC ensures that the City's efforts to address homelessness using ESG funds and other resources are coordinated regionally, respond to the most critical needs, and take into consideration input from the public and other homeless advocates. The information shared and activity coordination afforded through this forum help overcome gaps in institutional structures. Refer to the "Homeless CoC NOFA" section of this CAPER for details on the accomplishments of the RCCC in FY 2014.

Monitoring

1. *Describe how and the frequency with which you monitored your activities.*
2. *Describe the results of your monitoring, including any improvements.*
3. *Self Evaluation*
 - a. *Describe the effect programs have in solving neighborhood and community problems.*
 - b. *Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.*
 - c. *Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low- and moderate-income persons.*
 - d. *Indicate any activities falling behind schedule.*
 - e. *Describe how activities and strategies made an impact on identified needs.*
 - f. *Identify indicators that would best describe the results.*
 - g. *Identify barriers that had a negative impact on fulfilling the strategies and overall vision.*
 - h. *Identify whether major goals are on target and discuss reasons for those that are not on target.*
 - i. *Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.*

Program Year 5 –CAPER “Monitoring” Response:

Monitoring Process and Frequency

In FY 2014, the CDBG program’s monitoring function had four components: project implementation, contract management, monitoring compliance, and audit.

- **Project Implementation:** Prior to implementation of CDBG activities, all sub-recipients (inclusive of City departments and Housing Commission staff) were required to attend a mandatory Contract Packet Workshop conducted by CDBG Program Office staff (three different sessions were offered in April 2012). The workshop included an overview of CDBG requirements, other federal requirements, and City contracting requirements. A copy of HUD’s *Playing by the Rules Handbook* is distributed to all sub-recipients. In addition, contract packet documents and reporting documents are discussed and distributed.
- **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 detail 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.
- **Audit:** As part of the year-end requirements, sub-recipients were required to submit fiscal reports based on contract terms. Governmental units and non-profit organizations expending more than \$500,000 in federal funds during FY 2014 were required to submit a copy of a Single Audit to the City to adhere to OMB Circular A-133 requirements. A Single Audit was required to be submitted for desk review by the CDBG program, regardless of whether there were findings noted in the audit pertaining to CDBG funds, since it served as an additional monitoring tool used to evaluate the fiscal accountability of sub-recipients. As part of the closeout process, sub-recipients expending FY 2014 CDBG funds were required to submit an Audited Financial Statement for desk review, if submission of a Single Audit was not applicable.

Housing programs supported with all federal funds (such as the HOME program) are monitored on a regular basis to ensure compliance with occupancy and affordability requirements. The SDHC monitors all of the City's affordable housing supported with federal funds awarded to the City or to the Housing Authority of the City of San Diego (Housing Authority). In addition, the SDHC monitors affordable housing projects that utilize favorable financing provided through the Housing Authority, and in many cases the properties assisted with funds from the former Redevelopment Agency.

For all projects funded with HOME moneys, the SDHC performed the following monitoring functions in FY 2014:

- Prepared and made available to housing program participants (i.e., project owners and participating households) any general information regarding income limitations and restrictions, which were applicable to the affordable units;
- Reviewed and determined eligibility of participating households prior to initial occupancy of affordable units or when required by affordability restrictions;
- Reviewed documentation submitted by project owners in connection with the annual certification process for eligible tenants and owners' compliance with affordable housing restrictions;
- Inspected project books and records pertaining to the incomes and rents of participating households, as the SDHC deemed necessary;
- Notified project owners of any circumstances of non-compliance of which the SDHC became aware and took necessary actions to bring the projects into compliance; and
- Performed Housing Quality Standards inspections on all HOME-funded rental properties as outlined in the HOME regulations.

The SDHC monitored privately-owned housing units and affordable units provided through the Section 8 program. Affordable housing projects receiving funding directly from the state or federal government are often monitored solely by those entities.

Approximately 70 multifamily rental projects and owner-occupied properties, comprising more than 1,000 units, are monitored each year through desk audits and onsite visits to ensure HOME affordability restrictions are being met, and that the administrative, fiscal, and management components of these developments are adequate to meet the needs of the tenants that they house.

The SDHC also administers the City's ESG funds. All contracts funded by ESG specify monitoring, inspecting, and reporting requirements. SDHC has established appropriate administrative and financial systems to fully enable the SDHC to conduct a year-end review process to document the financial close-out, client eligibility and performance outcomes, and regulatory compliance for ESG projects. In FY 2014, the SDHC followed a simultaneous ESG/CDBG monitoring process because the veterans and single adult shelters, the new Connections Housing Interim Beds Program, and Cortez Hill Family Center all had ESG and/or CDBG funds. The process included visits to each site to: (1) meet the staff; (2) observe the programs in operation; (3) inspect the physical sites; and (4) review program performance information against backup data and personal observation.

ESG staff also used the monthly reports and billings to ensure each activity was on target with its goals. Staff checked that the billings were well documented and in line with the budget and that backup documentation was included to show that expenditures were budgeted and paid in accordance with policy. Staff used established systems of checks and balances when reviewing the billings and monthly reports.

Regarding HOPWA, all contracts funded by this program specify monitoring, inspecting, and reporting requirements. Each year, HCD staff monitors all HOPWA projects.

During FY 2014, all HOPWA-funded activities were monitored by reviewing monthly, quarterly, and annual progress reports that included project accomplishments, information on the number of families assisted, proof of current insurance coverage, annual audits, management reports, compliance with rent restrictions and rent calculations to ensure programs are producing effective measurable results. In addition, staff conducted onsite file reviews and unit inspections to ensure compliance with Housing Quality Standards. In addition, HCD staff provided ongoing technical assistance to sub-recipients throughout the year.

Monitoring Results and Improvements

During FY 2014, fiscal desk audits were conducted on the majority of the CDBG requests for reimbursement submitted. Additionally, there were 13 fiscal onsite visits to review the records of sub-recipients (visits focused on review of fiscal/budgetary matters), and no major issues were noted. All questioned costs and concerns were corrected in a timely manner by the sub-recipients. In addition, 148 general site visits and/or program monitoring visits were conducted. These visits ensured program compliance and the provision of needed technical assistance to sub-recipients.

In FY 2014, the City, SDHC, and the County collectively carried out over 200 general site and/or program monitoring visits.

During FY 2014, HOME program staff conducted the monitoring functions described in the “Monitoring Process and Frequency” section above. Of the 70 HOME developments being monitored, 68 projects, or 97 percent, are in compliance with all tenant income eligibility and program rent level requirements. The two projects currently out of compliance submitted late or incomplete reports or were missing other relevant documentation. SDHC staff continues to work with these owners and property managers to resolve the issues and anticipates full compliance in FY 2015.

During FY 2014, ESG program staff conducted the monitoring functions described in the “Monitoring Process and Frequency” section above. There were no findings or significant discrepancies discovered as a result of the monitoring. The seasonal shelters, as well as Cortez Hill Family Center, continued to serve populations as established and defined, reach their projected goals, and expend program funds in accordance with contracts, budgets and applicable policies and procedures.

During FY 2014, HOPWA-funded activities were monitored as described in the “Monitoring Process and Frequency” section of this CAPER above. A total of 11 site visits were conducted. During the monitoring, only minor issues were encountered (e.g., rent calculation errors, missing forms, etc.)

which were immediately corrected, and no major issues were identified. All units were in compliance with Housing Quality Standards either at the initial inspection or after making minor repairs.

In addition, HCD staff monitored all affordable housing projects that have HOPWA units set aside. A total of 3 site visits to these affordable housing projects were conducted, and no major issues were encountered.

Self-Evaluation



Image 9: Graduation ceremony from Second Chance.

Effects on Neighborhoods/Communities: The projects and activities funded by CDBG, HOME, ESG, and HOPWA in FY 2014 benefited low- and moderate-income persons in the City. These efforts were done in partnership with a host of community-based organizations and government agencies that are committed to improving the lives of the residents of San Diego. These organizations and agencies worked closely with the communities that they served and knew firsthand the actual needs present and deserving of attention, as well

as the opportunities afforded by CDBG, HOME, ESG, and HOPWA funding. Many of these organizations actively

participated in the CPAB and City Council meetings that were held in FY 2014 pertaining to the use of those funds, and advocated for their projects, activities, and programs. The recent trend of decreasing entitlement funds has raised concern among these organizations and agencies that rely on HUD funding to enhance and expand their work in the community.

Each of the projects and activities described in this CAPER went toward meeting at least one goal and objective in the Con Plan. Refer to Appendix G to review the accomplishments of these efforts in FY 2014. In short, they addressed the priority needs for housing, economic development and job creation, homeless assistance, neighborhood improvements, and HIV/AIDS assistance.

Meeting Priority Needs/Objectives and Community Vision: In FY 2014, the City continued to make steady progress on meeting the goals and objectives outlined in the adopted Con Plan, which describes the community vision to be achieved through the CDBG, HOME, ESG, and HOPWA programs. Refer to Appendix E to review the accomplishments of these efforts in FY 2014 on a goal-by-goal and objective-by-objective basis. Refer to Appendix F for a listing of the projects and activities implemented in FY 2014.

An area of improvement that was identified in the FY 2012 CAPER was the fair housing program. The City's efforts regarding fair housing dramatically improved in FY 2013 and continued to be on track during FY 2014. As of the end of FY 2014, outcomes have been met and exceeded. Refer to the "Fair Housing" section of this CAPER and Appendix M for details on the actions taken by the City in FY 2014 to continue to make progress to diminish impediments to fair housing choices and disburse related information widely.

Goals aimed to increase affordable housing and economic opportunity continued to become a reality in FY 2014. For example, HOME funding was used to develop 262 new affordable rental units (this figure does not include the 161 units that were completed in FY 2014). CDBG funding from the past two fiscal years was used to conduct 1,337 minor residential rehabilitations in FY 2013, helping families improve their living conditions and avoid having to move to more expensive housing just to escape substandard conditions.

In FY 2014, the City used CDBG funds to assist 225 small businesses; 142 of those businesses were new. Refer to Appendix G for a full narrative description of the project accomplishments in FY 2014. Appendix G identifies the scope of each project and its goals and provides information regarding how much funding was allocated to each project and its actual expenditures during FY 2014.

Decent Housing/Suitable Living Environment/Economic Opportunity: Each of the projects and activities implemented in FY 2014 went toward meeting one of the objectives of the national Outcome Performance Measurement Framework, which include decent housing, suitable living environment, and economic opportunity.

Activities canceled or delayed: Table 5 below lists the CDBG-funded project that had no activity in FY 2014 and their status as of July 2014:

Table 5: CDBG-Funded Project without Activity in FY 2014

IDIS #	Year Funded	Agency Project	Status
6540	2014	San Diego Community Housing Corporation Hacienda Townhomes Affordable Housing	CDBG allocation canceled and funds to be reprogrammed.
6523	2014	Family Health Centers of San Diego Federal Tech and Training Center	CDBG allocation canceled (applicant agency withdrew); funds to be reprogrammed, and project to proceed without CDBG funds
6530	2014	YMCA of San Diego County New Copley-Price YMCA Facility in Mid-City San Diego	CDBG allocation canceled (applicant agency withdrew); funds to be reprogrammed, and project to proceed without CDBG funds

In relation to CDBG-funded projects and programs, City staff continued to be in regular contact with sub-recipients as warranted to ensure slower moving projects made timely progress and did not affect the City expenditure requirements.

With regard to the HOME program in FY 2014, the number of owner-occupied units rehabilitated fell slightly behind the estimated rehabilitation goal due to the need for closeout paperwork, which was in process at the end of the 2014 fiscal year. Four HOME funded rental housing projects were completed during FY 2014; two projects are still in progress and three new others were funded during the FY 2014 cycle.

With regard to the HOPWA program in FY 2014, no projects and/or activities fell behind schedule.

Impact on Identified Needs: Each of the projects and activities described in this CAPER went toward meeting at least one goal and objective in the Con Plan. Refer to Appendix E to review the aggregate accomplishments of these efforts in FY 2014 in relation to the Con Plan goals using the indicators. Given the FY 2014 represents the last year of the FY 2010 – FY 2014 Consolidated Plan, Appendix E also lists the overall accomplishments during the 5-year cycle of the subject Consolidated Plan. In short, they addressed needs for affordable housing, economic development as well as the expansion or establishment of micro-enterprises, homeless assistance, neighborhood improvements, and the provision of support services towards individuals with AIDS/HIV and their families.

Indicators Describing Results: Each of the projects and activities described in this CAPER went toward meeting at least one goal and objective in the Con Plan. Prior to implementation, indicators were identified for each project or activity in order to evaluate their progress as these were implemented and their overall performance as these were completed. Refer to Appendix E to review the aggregate accomplishments of these efforts in FY 2014 in relation to the Con Plan goals using the indicators.

Barriers: In FY 2011, as part of the City's effort to reform the CDBG allocation process and to allow for greater public participation, the City established the CPAB to advise the Mayor and City Council on policy issues related to the Con Plan and allocation of CDBG funds. While the CPAB often lacked the minimum number of members during its early years and meetings were not held on a regular basis, a quorum has generally been achieved since early 2012. The CPAB has consistently met on a monthly basis since then and has been able to take actions in accordance with the [Municipal Code provisions](#). In fact, it was during FY 2014 (April 2014) that the CPAB first achieved full membership since its inception. The CPAB reviewed and scored the CDBG applications for the FY 2013 and FY 2014 allocations and proceeded to recommend to the City Council what projects and programs should be funded based on their review. As in FY 2013, meetings throughout FY 2014 provided a consistent and effective forum for citizens to participate in the CDBG process, especially in the Annual Action Plan process, and served as a place for staff to vet policy issues and obtain public feedback. CPAB members continued to get up to speed as to complex HUD regulations, some of the standards applicable to the ESG, HOME and HOPWA programs (as well as the use of said funds and allocation processes), as well as pertinent City policies during FY 2014.

In addition to those relative to processes and administration, barriers to fulfilling the Con Plan that the City encountered in FY 2014 included the decreasing trend in available federal funds and corresponding annual CDP grants, which is compounded by increasing cost of labor, materials, supplies and overall expenses needed to increase the supply of affordable housing. Additional barriers are due to the lack of local and state funding, as well as the expenses due to a complex regulatory environment which is ever evolving. These barriers continue to represent a challenge to increase the supply and/or condition of housing that benefits persons of low and moderate income and/or those presumed LMI in accordance with HUD standards as well as contribute to the realization of projects and programs that advance economic development and provide needed public services.

For a description of barriers in FY 2014 relative to the HOPWA program, refer to the “Barriers or Trends” section of this CAPER.

Major Goals on Target: Each of the projects and activities described in this CAPER went toward meeting at least one goal and objective in the Con Plan. Refer to Appendix E to review the aggregate accomplishments of these efforts in FY 2014 in relation to the Con Plan goals using the indicators.

Adjustments/Improvements: The City will continue to seek non-CPD funds to leverage those that it receives through CDBG, HOME, ESG, and HOPWA. City staff will also continue to work with CPAB to increase public participation and refine ways to direct future CDBG allocations towards projects and programs that benefit the neediest in the most meaningful ways in accordance with the recently adopted FY 2015 – FY 2019 Consolidated Plan.

Lead-Based Paint

1. Describe actions taken during the last year to evaluate and reduce lead-based paint hazards.

Program Year 5 CAPER “Lead-Based Paint” Response:

The City’s Lead Safety and Healthy Homes Program (LSHHP), in partnership with SDHC’s Home Safe Home Program (HSHP) and various other community organizations, has been working since 2002 with the goal of improving the quality of life of its citizens through the elimination of all lead paint hazards. LSHHP and HSHP have used a blend of strategies to prevent lead poisoning, including education, outreach, training, home remediation, and code enforcement.

FY 2014 Accomplishments

San Diego Housing Commission Home Safe Home Program (HSHP)

The SDHC Home Safe Home Program (HSHP) is currently administrating two Lead Hazard Control Grants, as well as other housing rehabilitation programs, all of which require the elimination of lead paint hazards. The HUD funds are used to reduce lead hazards in residences occupied or frequently visited by children under six years of age and are available for owner-occupied or rental properties with occupants under 80 percent of the AMI.



Image 10: Clean-up crew for the Home Safe Home Program.

In FY 2014, the HUD grant funds covered the removal of lead hazards in 23 owner-occupied and 74 rental units. An additional 11 owner-occupied residences had lead hazards removed as part of the work completed under other housing rehabilitation programs.

The HSHP has also received a total of \$1.28 million since 2010 in Healthy Homes funding to address healthy and safety issues including lead. Other healthy homes work addressed pests and rodent problems, mold, moisture, indoor air quality, hazardous materials, and home safety issues.

In FY 2014 a total of 55 owner-occupied units benefitted from healthy homes interventions and lead hazard remediation. In addition, the SDHC's rehabilitation programs were refocused to align with healthy homes principles.

City of San Diego's Lead Safety and Healthy Homes (LSHHP) Section



One of the most cost effective tools in eliminating lead hazards in housing continues to be through enforcement of the City's Lead Hazard Prevention and Control Ordinance. LSHHP is the City's enforcement agency for this ordinance.

This ordinance, which has become a national model for local governments, requires:

- All paint applied to a dwelling unit or structure built prior to January 1, 1979, must be presumed to contain lead, unless lead-based paint testing proves it to be below established thresholds;
- The owner of a dwelling unit is to take action to prevent the occurrence of a lead hazard and correct any lead hazard, upon receiving notice of its existence;
- All renovation activities meet the containment and clearance requirements of the HUD guidelines;
- Residents are to be relocated when lead contaminants are likely unable to be contained or controlled during renovations;
- Renovations must be done in accordance with the new Renovation, Remodeling, and Painting (RRP) rule of the United States Environmental Protection Agency (EPA);
- Contractors must document a visual clearance of all work that disturbs painted surfaces on a standardized City form;
- Licensed daycare facilities ensure that children's blood lead levels are tested within 30 days of enrollment; and,
- Home improvement stores prominently display lead warnings signs.

In addition to the elimination of existing lead hazards, everyone involved in correcting lead code violations gains knowledge from participating in the enforcement process. The City lead enforcement staff works closely with each responsible person, contractor, and state certified inspector to ensure they have an understanding of their responsibilities to correct lead hazards and maintain their properties. The process of working closely with various persons and organizations results in the community as a whole having a better understanding of the various aspects of lead poisoning prevention, including: what lead hazards are; what options can be taken to eliminate lead hazards; what are lead safe work practices; what types of trainings and certifications are involved; and how are various types of lead hazard evaluations reports utilized. This gained knowledge will continue to

reduce the risk of lead poisonings to residents, workers their families and their children throughout the region.

The LSHHP was the first Renovation, Repair and Painting (RRP) training provider in the San Diego area accredited by the EPA. Becoming an EPA Certified Training Provider was in response to the EPA RRP Rule requiring contractors who disturb painted surfaces to be trained and certified by April 22, 2010. In FY 2014, 33 individuals were trained and certified as EPA-Certified Lead Renovators by LSHHP. In addition to learning EPA requirements, the class attendees were also provided education on the City's Lead Hazard Prevention and Control Ordinance.

LSHHP is an established partner in the National Healthy Housing Training Center and Network. This partnership enhances LSHHP's capacity to educate housing and health professionals, as well as community members, on creating healthier home living environments, including the identification and remediation of lead hazards. During FY 2014, LSHHP provided a two-day Healthy Homes Assessment Principles and Practices Trainings to 22 persons, and two-day Healthy Homes Rating System training to 12 persons.

To continue to create awareness of the dangers of lead, working with the City's Public Information Office, the LSHHP has put on display a banner with the LSHHP "Get Leaducated" slogan and banner graphic at the newly opened \$185-million, nine-story library in the City downtown's East Village. The display also contains free educational material for anyone to take. Additionally, large "Get Leaducated" signs have remained on one side of City-owned trash trucks throughout the year.

FY 2014 was the final year of a two year Department of Public Health Services, Childhood Lead Poisoning Prevention Branch (CLPPB) funded contract with the County of San Diego. This funding supports enforcement activities to reduce the opportunity for children to be exposed to environmental lead hazards. The performance period of this funding concluded on June 30, 2014. There were 75 active lead code enforcement cases funded by this program in FY 2014. Of these, 48 cases were closed including 31 cases impacting 64 residential units which were cleared of lead hazards. An additional 17 cases were closed where it was determined no lead hazards were present.

On December 16, 2013, after a six week long trial, the City of San Diego and nine other California cities and counties won a \$1.1 billion judgment from the Santa Clara County Superior Court. The Honorable James P. Kleinberg ruled that defendants ConAgra Grocery Products Co., NL Industries Inc. and the Sherwin-Williams Co. were liable for damages arising out of the sale of lead-based paint before it was banned in 1978. Judge Kleinberg ruled that three lead paint manufacturers are jointly liable for the cost of removing their products from homes in the ten counties and cities that prosecuted the case. San Diego's share of the judgment, approximately \$77 million, would be used for lead-hazard evaluations and remediation activities. The City of San Diego was represented by Deputy City Attorney Paul Prather with the San Diego City Attorney's office. Mr. Alan Johanns, with the City of San Diego's Environmental Services Department, testified during the trial. The plaintiffs are the City of San Diego, County of Santa Clara, County of Alameda, City of Oakland, City and County of San Francisco, County of Los Angeles, County of Monterey, County of San Mateo, County of Solano, and County of Ventura. The suit dates back to 2000, when Santa Clara County sought to hold lead paint and lead pigment manufacturers liable for health hazards associated with the toxic chemical. San Diego, along

with two other cities, and six counties joined the suit later. The case is currently undergoing the appeals process, which is expected to last for several years.

CDBG-Funded Lead Safe Program

The LSHHP FY 2014 CDBG-funded “Safe and Healthy Homes Project” (SHHP) stated objective is to provide minor rehabilitation for health and safety measures to 75 low/moderate-income residential units. Activities include evaluating and remediating homes for all health and safety hazards, including identified lead hazards. This program was granted a 3 month performance period extension, and is currently scheduled to conclude on September 30, 2014. As of June 30, 2014, the SHHP successfully remediated health and safety hazards in 56 residential units. Each of these units housed low-income or very low-income families that either had a child less than 18 years of age, a pregnant woman, or an elderly person over the age of 62. Lead-safe work practices were used for all renovations conducted in housing built prior to 1979 per the City of San Diego’s lead ordinance. Lead risk assessments were conducted in each of the 45 households that were built prior to 1979. Seven of these households had identified lead hazards that were remediated and cleared of lead hazards.

Objective 7.3 of Goal 7 of the Con Plan specifically calls for reducing lead-based paint hazards in the City’s housing stock. The table below identifies the CDBG projects that were active in FY 2014 pursuant to this objective.

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Table 6: CDBG Project Addressing Lead-Based Paint Hazards in FY 2014

IDIS #	Funding Year	Agency	Project	Expenditure during FY 2014
6554	2014	City Environmental Services	Lead Safety Enforcement Program	\$104,071
6305	2013	City Environmental Services	Lead Safety Enforcement Program	\$89,540

** Expenditure figures are based on the federal database IDIS as of the writing of this report*

HOUSING

Housing Needs

1. Describe Actions taken during the last year to foster and maintain affordable housing.

Program Year 5 CAPER “Housing Needs” Response:

The City and the SDHC continue their strong commitment to making housing more affordable to San Diegans at the lower ends of the income spectrum. Through a broad range of programs and activities—discussed in more detail in other sections of this CAPER and in Appendix E—many affordable rental units and homeownership opportunities were provided to families and households at or below 80 percent of the AMI.

Specific Housing Objectives

Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households, comparing actual accomplishments with proposed goals during the reporting period.

Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households, comparing actual accomplishments with proposed goals during the reporting period.

Describe efforts to address “worst-case” housing needs and housing needs of persons with disabilities.

Program Year 5 CAPER “Specific Housing Objectives” Response:

Progress Evaluation

Goals 5 - 8 and Goal 13 of the City’s Con Plan address the need in the City for a greater supply of affordable housing, greater opportunities for homeownership, and improvements to the affordable housing stock and facilities that serve LMI individuals and households as well as those presumed to be LMI in accordance with HUD standards. Refer to Appendix D to review the goals and all of the associated objectives and outcomes.

Note that Goal 7, as originally formulated (refer to Outcome 7.2.2), encompasses *facilities* (in addition to *housing*) that benefit low- and moderate-income persons. These facilities, for example, include, but are not limited to, facilities operated and/or owned by non-profit organizations, public spaces (such as recreational buildings, parks, and community centers), health clinics, and the public right-of-way. Because of the original formulation of Goal 7 in the Con Plan combines housing and facilities into one goal, information on such facilities are presented in this section of the CAPER (Specific Housing Objectives).



Image 11: Picture from Union-Tribune newspaper showing completed Solar Panels from Townspeople.

The CDBG and HOME projects that were active (partially or fully implemented) during FY 2014 in accordance with goals 5, 6, and 7 are shown in the table below along with their corresponding expenditures during the fiscal year. Refer to Appendix G for a detailed narrative description of each project and its accomplishments in FY 2014.

Table 7: CDBG and HOME Funded Projects Completed or Active in FY 2014 Addressing Goals 5 - 7

IDIS #	Funding Year	Sub-Recipient Agency	Project Name	Expenditure during FY 2014
Completed Projects				
6543	2014	San Diego Housing Commission	Direct Homeownership Assistance	\$191,875
6542	2014	Community HousingWorks	Homeownership Promotion	\$249,214
6539	2014	Rebuilding Together San Diego	RTSD Roof Replacement	\$148,535
6538	2014	GRID Alternatives	San Diego Solar Affordable Homes Program	\$192,000
6305	2013	City of San Diego - Environmental Services Department	Lead Safety Enforcement Program	\$89,540
6291	2013	Townspeople	Low-Income Housing Solar Power	\$137,401
6290	2013	St. Paul's Episcopal Homes, Inc.	St. Paul's Emergency Generator	\$329,953
6289	2013	GRID Alternatives	San Diego Solar Affordable Homes Program	\$52,700
6287	2013	City Heights Community Development Corporation	Sycamore Court Rehabilitation Project	\$290,197
6286	2013	City Heights Community Development Corporation	City Heights Neighborhood Rehabilitation Project	\$453,222

6278	2013	Urban Corps of San Diego County	Campus Safety and Security Enhancement	\$313,244
6277	2013	Union of Pan Asian Communities	UPAC Seismic Retrofit	\$140,250
6276	2013	San Ysidro Health Center	SDCDC Expansion Project	\$1,060,037
6275	2013	San Diego Center for Children	Campus Improvements FY 2013	\$188,746
6271	2013	City of San Diego - Park & Recreation Department	Memorial Pool Improvements	\$1,661,000
6268	2013	Casa Familiar, Inc.	Social Services Center	\$139,601
6254	2012	City of San Diego - Engineering & Capital Projects Department	Azalea Park Improvements	\$961
6141	2012	San Diego Housing Commission	Rehabilitation of Picador Boulevard Apartments	\$0
5158 5156 5145	2009	San Diego Housing Commission	Parker-Kier Apartments	\$0
5437	2009	City of San Diego - Engineering & Capital Projects Department	Stockton Lights	\$57,220
TOTAL				\$5,695,696
Ongoing Projects				
Various	2014	San Diego Housing Commission	CHDO	\$3,821,605
Various	2014	San Diego Housing Commission	Rental Housing Production	
Various	2014	San Diego Housing Commission	First-Time Homebuyer Program	\$4,233,358
Various	2014	San Diego Housing Commission	Owner-Occupied Rehabilitation	\$121,154
N/A	2014	San Diego Housing Commission	Tenant-Based Rental Assistance	\$0
6537	2014	Community HousingWorks	Las Serenas Rehab and Repair	\$2,750
6526	2014	San Diego Second Chance Program	San Diego Second Chance Program Headquarters	\$0
6520	2014	Center for Community Solutions	P.E.A.C.E. (Providing Empowerment, Advocacy, Counseling & Education)	\$0
6751	2014	City of San Diego - Environmental Services Department	Safe and Healthy Homes Project FY 2014 (Multi-Family)	\$63,743
6634	2014	Rebuilding Together San Diego	RTSD Minor Residential Rehabilitation Project	\$7,671

6633	2014	City Heights Community Development Corporation	Neighborhood Enhancement Project	\$114,467
6554	2014	City of San Diego - Environmental Services Department	Lead Safety Enforcement Program	\$104,071
6541	2014	Urban Corps of San Diego County	WEER/Green Streets	\$176,103
6536	2014	City of San Diego - Environmental Services Department	Safe and Healthy Homes Project FY 2014	\$228,757
6531	2014	YWCA of San Diego County	Security & Surveillance Renovation Project	\$1,620
6529	2014	St. Vincent de Paul Village	Paul Mirabile Center Rehabilitation	\$0
6528	2014	St. Vincent de Paul Village	Joan Kroc Center Rehabilitation	\$0
6527	2014	Senior Community Centers	Low-Income Senior Housing Improvement Project	\$0
6525	2014	La Maestra Family Clinic, Inc.	La Maestra X-Ray/Radiology Expansion	\$190,210
6524	2014	Jacob & Cushman San Diego Food Bank	Warehouse Capital Improvements and Expansion	\$491,388
6522	2014	Civic San Diego	Beta Street Green Alley 38th to 39th Street and Beta	\$0
6521	2014	City of San Diego - Park & Recreation Department	Villa Montezuma Preservation	\$443,594
5482	2010	City of San Diego - Engineering & Capital Projects Department	North Ocean Beach Gateway Phase II (S-13012)	\$0
6273	2013	La Maestra Family Clinic, Inc.	La Maestra Heart of the Community Campaign	\$0
6125	2012	City of San Diego Commission for Arts and Culture	Aztec Brewery Historic Rathskeller Restoration	\$62,580
5482	2010	City of San Diego - Engineering & Capital Projects Department	North Ocean Beach Gateway Phase II (S-13012)	\$0
TOTAL				\$10,063,071

the federal database IDIS

It should be noted that, although numerous programs/projects were funded to increase the supply of affordable and safe housing, none of the projects were categorized under Goal 8 (increasing opportunities for affordable housing located in close proximity to transit) during the reporting period given the other goals related to affordable housing in the Con Plan.

Furthermore, the Housing Element of the City's General Plan incorporates policies and guidelines that promote transit-oriented development with regards to housing. The City's Housing Element for the period covering 2013–2020 was adopted by the City Council on March 4, 2013. Goal 4 of the Housing Element is to provide affordable housing opportunities consistent with a land use pattern which promotes infill development and socioeconomic equity.

Goal 13 calls for the maintenance of the quality of foreclosed housing stock and make units available to low- and moderate-income families, if possible. Metrics established in relation to this goal have been fully met through the Neighborhood Stabilization Program (NSP) program, a one-time supplemental CDBG stimulus grant, during Fiscal Years 2010 – FY 2013. The NSP was established under [Division B, Title III of the Housing and Economic Recovery Act \(HERA\) of 2008](#) for the purpose of stabilizing communities that suffered from foreclosures and abandonment. Refer to the "Leveraging Resources" section of this CAPER for more information on NSP activities.

Section 215 Affordable Housing

The Section 215 definition of affordable housing is identified in 24 CFR 92.252 for rental housing and 24 CFR 254 for homeownership.

During the reporting period, 162 affordable housing opportunities were accomplished, exceeding the goal of 55 set forth in the FY 2014 Annual Action Plan (that is, HOME units—CHDO, Rental Housing Production, and Homebuyer Activities—that meet the qualifications set forth in Section 215).

"Worst-Case" Housing Needs/Housing for Persons with Disabilities

In FY 2014, funds allocated to the rehabilitations of the housing stock included Americans with Disabilities Act (ADA) accessibility enhancements.

Public Housing Strategy

1. Describe actions taken during the last year to improve public housing and resident initiatives.

Program Year 5 CAPER "Public Housing Strategy" Response:

During FY 2013, the SDHC received final approval from HUD for the transition of 113 units into the Public Housing program upon completion of major rehabilitation work. With this approval, the SDHC was able to utilize Replacement Housing Factor funds (federal funds) to perform a full rehabilitation of the units, common areas, and amenities. During FY 2014, the building exterior and unit interior work at the Otay Villas Apartments (78 units) was completed. The 78 units received HUD approval of the Date of Funding Availability (DOFA) as of October 31, 2013. Rehabilitation of the remaining 35 units is currently in the architecture and design phase. The revised anticipated date of construction completion and the DOFA for the five remaining scattered sites is March 31, 2015.

Barriers to Affordable Housing

1. Describe actions taken during the last year to eliminate barriers to affordable housing.

Program Year 5 CAPER Barriers to Affordable Housing Response:

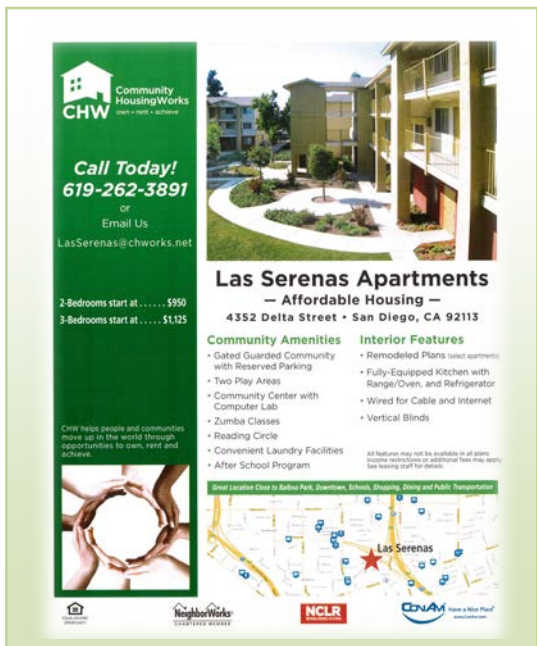


Image 12: Marketing Flyer for Las Serenas Affordable Housing apartments.

The need for more affordable housing in the City continued to be felt in FY 2014 as demand greatly exceeded the supply. To address this need, the City, through the SDHC, continued to utilize density bonus provisions, the Inclusionary Housing Program and administered condominium conversion tenant relocation benefits. In addition, late in FY 2014, a Workforce Housing Plan was developed in order to propose both short- and long-term measures to address revenues for the construction of affordable homes and the costs associated with the construction of all residential development. The Workforce Housing Plan was scheduled for presentation to a City Council subcommittee and subsequent consideration by the full City Council in July 2014.

In FY 2014, affordable housing projects funded by the former Redevelopment Agency in cooperation with others continued to be advanced as described in the leverage section. It should also noted that in FY 2013, Civic San Diego

completed a master plan which outlines priorities and a proposed strategy for the remaining Redevelopment Agency housing assets and maximizes their effectiveness in advancing the production of affordable housing. Specifically, the master identifies the uses intended for the real properties and proposed expenditures of the remaining Redevelopment housing set-aside funds. The City Council adopted this plan on May 15, 2013. Implementation of the plan will increase the supply of affordable housing.

In FY 2014, the City continued to use CDBG and HOME funds to maintain and increase the supply of affordable housing through rental assistance, rental housing production, housing rehabilitation, and homebuyer assistance. Refer to the “Housing Needs” and “HOME” sections of this CAPER for more information.

HOME / American Dream Down-payment Initiative (ADDI)

1. Assessment of Relationship of HOME Funds to Goals and Objectives
a. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.

2. HOME Match Report
 - a. Use HOME Match Report HUD-40107-A to report on match contributions for the period covered by the Consolidated Plan program year.
3. HOME MBE and WBE Report
 - a. Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women’s Business Enterprises (WBEs).
4. Assessments
 - a. Detail results of onsite inspections of rental housing.
 - b. Describe the HOME jurisdiction’s affirmative marketing actions.
 - c. Describe outreach to minority and women owned businesses.

Program Year 5 CAPER “HOME/ADDI” Response:

The City received an allocation from HUD of \$4,309,278 in HOME funds for the period of July 1, 2013, through June 30, 2014. Table 8 below shows how the FY 2014 funds were allocated and how much was expended per activity type:

Table 8: FY 2014 HOME Funds Allocation and Expenditure (as shown in IDIS report PR 06)

Activity	FY 2014 Allocation	Funds spent during FY 2014*
Rental Housing Rehabilitation and/or Development	\$1,287,087	\$0
Community Housing Development Organizations (CHDOs)	\$0	
Homebuyer Activities	\$2,180,770	\$4,048,181
Homeowner Rehabilitation	\$411,023	\$59,505
Tenant-Based Rental Assistance	\$300,000	\$0
Program Administration	\$130,398	\$237,584
Total	\$4,309,278	\$4,345,270

**Note that the expenditure column reflects funds allocated in previous fiscal years to projects/programs that were active during FY 2014.*



Image 12: Completed pictures of Parker-Kier major rehabilitation project.

In addition to the allocation from HUD, PI of \$4,158,635 was generated during FY 2014, of which \$3,792,943 was allocated to some of the programs listed above. Carryover funds from prior years were also expended in FY 2014.

All of the SDHC’s HOME activities serve households with incomes that do not exceed 80 percent of the AMI and concentrate on the households included in the Con Plan’s Affordable Housing Priorities listed as “High Priority” and “Medium Priority”.

“High Priority” includes households and income groups at 80 percent or below of the AMI who are renters paying over 30 percent of income for housing, homeowners at 50 percent or below of the AMI needing housing rehabilitation, and homeownership assistance to households who are earning 31 to 80 percent of the AMI.

“Medium Priority” includes household and income groups at 51 to 80 percent of the AMI who are homeowners in need of housing rehabilitation, and homeownership assistance to households earning 0 to 30 percent of the AMI.

Rental Housing Production: To assist individuals and households spending more than 30 percent of their income for housing during the past year, HOME funds were used to complete one rental housing rehabilitation project with 161 restricted units, 70 of which are HOME units. The table below provides a summary of the project completed with HOME funds in FY 2014 and ongoing HOME-assisted projects in various stages of development.

Table 9: FY 2014 HOME Rental Housing Production

IDIS #	Project	Address	Activity	HOME Amount Allocated	HOME Units	Total Units
Completed HOME-Funded Projects						
6035	Parker-Kier	2172 Front St	Major Rehabilitation	\$2,815,974	24	33
6237	Connections Housing	1250 6 th Ave	Acquisition and Rehabilitation	\$1,889,634	15	73
6242	Mason Hotel	1345 5 th Ave	Major Rehabilitation	\$1,444,016	16	16
6340	Juniper Gardens	4251 Juniper St	Major Rehabilitation	\$2,844,132	15	39
Ongoing HOME-Funded Projects						
6347	COMM-22 Seniors	22 nd St & Commercial Ave	New Construction	\$4,190,000	29	69
6559	Mesa Commons	6456 El Cajon Blvd	New Construction	\$2,000,000	11	78
6578	Hotel Churchill	827 C St	Major Rehabilitation	\$2,900,000	22	73
6700	VVSD Phase V	4141 Pacific Hwy	New Construction	\$1,434,846	9	11
6717	Willie James Jones	327 South Willie James Jones Ave	New Construction	\$2,200,000	10	31

Homebuyer Activities: HOME funds helped 92 first-time homebuyers (74 of these consisting of households with children) through the provision of interest deferred loans and closing cost assistance grants. The average family income of the beneficiaries of these programs was approximately 66 percent of the AMI (currently \$51,300 for a family of four).

Homeowner Rehabilitation Activities: The SDHC's HOME-funded homeowner rehabilitation program assisted 8 households with the following incomes:

- 2 households at 30 percent or less of the AMI (currently \$24,200 for a family of four)
- 3 households at 50 percent or less of the AMI (currently \$40,300 for a family of four)
- 3 households at 60 percent or less of the AMI (currently \$48,360 for a family of four)
- 0 households at 80 percent or less of the AMI (currently \$64,500 for a family of four)

Three of the 8 homes were rehabilitated by businesses owned or operated by those considered minorities: Disabled Veteran Business Enterprise (DVBE), Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE).

Tenant-Based Rental Assistance (TBRA): The HOME TBRA Program provides rental subsidies to help individuals afford housing costs such as rent, utility costs, and security deposits. Administered by the SDHC, the program assisted victims of domestic violence who graduated from other housing programs and individuals in need of immediate financial assistance to obtain affordable housing. In FY 2014, the TBRA program was on hold due to other funding priorities providing similar assistance to chronically homeless men, women, and children.

American Dream Down Payment Initiative: It should be noted that the American Dream Down Payment Initiative (ADDI) is no longer a HUD-funded program.

HOME Match Report: HUD requires the City to match 25 percent of the HOME funds used to develop affordable housing. As noted in the HOME Match Report (HUD Form 40107-A) in Appendix J, a match of \$857,016 was contributed during FY 2014 and an excess amount of \$23,902,543 will be carried over to meet match liability in subsequent years.

HOME MBE and WBE Report: In FY 2014, HOME funds were directed towards three contracts with Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs) totaling \$61,605. Refer to Appendix J for more information.

Assessments:

Inspections: As required by 24 CFR §92.504(d), during the required affordability period for HOME-funded rental units, SDHC staff performs onsite inspections of these rental housing to determine compliance with the HUD-required property standards in accordance with 24 CFR §92.251. As required by HUD, HOME-assisted rental projects with one to four units are inspected every three years; projects from five to 25 units are inspected every two years; and, projects with 26 or more units are inspected annually.

During FY 2014, 145 HOME-funded rental housing units were inspected. Those that failed inspection the first visit were re-inspected, and all ultimately passed inspection in subsequent visits. The reasons for the initial failures included minor breaches of electrical, safety, and health code standards (i.e., leaks around refrigerators, faulty ground fault interrupter circuits, broken doors, worn carpet, etc.).

Affirmative Marketing: The SDHC has adopted affirmative marketing requirements for all housing with five or more HOME-assisted units. These requirements include policies and procedures for informing the public, owners, and potential tenants about fair housing laws and describe how developers and the SDHC will affirmatively market housing that is assisted with HOME funds. In addition, all applicants of HUD HOME funds are required to develop an Affirmative Fair Housing Marketing Plan as a condition for receipt of funding, and the SDHC maintains records for a period of at least five years to document actions taken to affirmatively market HOME-assisted units.

Minority/Women Outreach: In addition to following its HOME Program Affirmative Marketing Policy, SDHC staff conducted the following Disabled Veteran Business Enterprise (DVBE), Disadvantaged Business Enterprise (DBE), Small Business Enterprise (SBE), and Section 3 Business Concern outreach activities in FY 2014:

- Utilized the Onvia Demand Star electronic bidding system for outreach to DVBE/DBE/MWBE/SBE and Section 3 Business Concerns as part of all major solicitations in addition to SDHC's existing database;
- Advertised all major bids in minority-focused news publications;
- Conducted "How to Do Business with the San Diego Housing Commission" and pre-bid/pre-proposal workshops with local organizations; and,
- Participated in DVBE/DBE/MWBE/SBE outreach events with local agencies as a member of the Public Agency Consortium.

Homeless Needs

1. *Identify actions taken to address needs of homeless persons.*
2. *Identify actions to help homeless persons make the transition to permanent housing and independent living.*
3. *Identify new federal resources obtained from Homeless CoC NOFA.*

Goal 3 of the City's Con Plan is to provide shelter for persons who are homeless and assist them in moving out of homelessness. Objectives include operating shelters and assisting families with access to housing (both transitional and permanent), case management, and support services. Refer to Appendix D to review Goal 3 and all of the associated objectives and outcomes.

Table 10 below shows the CDBG and ESG funded projects that were implemented in FY 2014 in accordance with Goal 3 which calls for addressing the needs of homeless families and individuals. Refer to Appendix G for a full narrative description of each project's accomplishments in FY 2014. Appendix G provides a description of each project, its overall goal(s), tasks completed during FY 2014 and identifies how much funding was allocated to it.

Table 10: CDBG and ESG Projects in FY 2014 Addressing Homeless Needs

IDIS #	Funding Year	Agency	Project	Expenditure*
6515	2014	San Diego Housing Commission	Homeless Shelter Program–ESG	\$356,114
6552	2014	San Diego Housing Commission	Neil Good Day Center - CDBG	\$535,243
6551	2014	San Diego Housing Commission	Homeless Shelter Program–CDBG	\$588,037
6550	2014	San Diego Housing Commission	Cortez Hill Family Center–CDBG	\$263,585
6546	2014	Catholic Charities	Rachel’s Women’s Center	\$96,150
6516	2014	San Diego Housing Commission	Homeless Prevention/Rapid Re-Housing – ESG	\$0
6427	2013	San Diego Housing Commission	Homeless Prevention/Rapid Re-Housing – ESG	\$37,823
6330	2012	San Diego Housing Commission	Homeless Prevention/Rapid Re-Housing - ESG	\$220,145

* Expenditure figures are based on internal City and/or San Diego Housing Commission as of the writing of this report and may be pending input into the federal database IDIS

In addition to the projects shown in Table 10, Connections Housing completed its first full year as an integrated service and residential community whose primary goal is to help homeless individuals living on neighborhood streets rebuild their lives and secure permanent housing. A myriad of services needed to break the cycle of homelessness are available onsite at this facility:

- **Individual Assessments:** Outreach workers individually interview every homeless person in the neighborhoods surrounding Connections Housing to identify how best to help each person move from the street to housing. A common misperception is that many chronically homeless people choose to live on the street. In fact, nearly everyone would prefer a roof over their head. Their resistance is to “one-size-fits-all” programs. Connections Housing programs are tailored for each individual.
- **The One-Stop Service Center:** Program spaces for a diverse group of social service providers and government agencies create a “mini-mall” of services and approaches to meet individual needs and to address the root causes of homelessness. The One-Stop Service Center’s spacious reception area for those awaiting services prevents lines outside the building.
- **Primary Care Health Clinic:** Family Health Centers of San Diego, a non-profit family of



Image 13: Connections Housing completed its first full year in FY 2014.

clinics that has provided affordable healthcare to San Diegans for 40 years, has relocated its Downtown Family Health Center to the first floor of Connections Housing. Homelessness and health are inextricably linked, and this comprehensive clinic provides primary medical and mental health services.

- Transitional/Interim Housing: Able to accommodate 150 people at one time, this program of Connections Housing is designed to move people off the street quickly. Clients using this short-term housing are encouraged to access the services in the mall to help get leads to jobs and community resources. Clients in this housing program typically stay several months, without the need to return and stand in line each day to secure their spot. Residents are preparing to move into permanent housing.
- Permanent Supportive Housing: Supportive housing provides a permanent place to live, coupled with support services that address the issues which lead to homelessness in the first place. This approach has achieved significant success in many other cities. Connections Housing has 73 permanent studio units.

For other projects and activities taken to address the needs of homeless persons, refer to the “Leveraging Resources” section of this CAPER.

Transition to Permanent Housing and Independent Living

The YWCA of San Diego operates the Cortez Hill Family Shelter, which provides 45 units to serve families year round. Families can stay up to 120 days (four months) and receive services focused on helping them find work and become self-supporting. In FY 2014, Cortez Hill served 176 families, with 213 adults and 356 children. All families received basic shelter and two meals a day for up to 120 days, as well as case management services. Families were offered counseling, career assessments, medical and legal services, and follow-up services after leaving the shelter. Refer to Appendix G for a full narrative description of this project’s accomplishments during FY 2014.

The SDHC also administered the Homeless Prevention and Rapid Re-Housing program (HPRP) for the City. Funds from that program in FY 2014 provided security deposits for 134 veterans and chronically homeless individuals and families as a bridge to Veterans Affairs Supportive Housing (VASH) vouchers (permanent housing), and for 144 households leaving the streets, shelters and transitional housing programs and moving into stable housing situations.

During FY 2014, the City also used HOPWA funds to fund transitional housing and permanent housing specifically for persons living with HIV/AIDS. Refer to the “Specific HOPWA Objectives” for a description of those activities.

Homeless CoC NOFA

The Regional Continuum of Care Council (RCCC) is a regional planning group for homeless providers throughout the City and County of San Diego, HUD CA 601. This Continuum of Care (CoC) provides

advocacy, information, and planning for homeless issues throughout the region, as well as applies to HUD for homeless funding under the annual CoC NOFA. The RCCC is supported financially by the SDHC and the County HCD. Each body contributed \$10,000 in FY 2013 for facilitation of this CoC. The SDHC also contributed \$10,000 for a consultant to work on the HUD 2013 CoC NOFA application on behalf of the City's applicants.

The Regional Task Force on the Homeless (RTFH), which operates the central Homeless Management Information System (HMIS), also administers the Point in Time (PIT) Count—a physical count of homelessness. HUD requires an annual sheltered count and a biennial 'street' census. San Diego conducts both counts annually. With numbers derived from the PIT Count, the RTFH provides the region with homeless statistics and a profile of homelessness. The SDHC contributes \$45,000 annually to HMIS services. Additionally, in FY 2014, the City of San Diego dedicated an additional \$10,000 of ESG funds to HMIS support.

In FY 2013, the SDHC provided nearly \$75,000 in support for CoC development to ensure compliance with the HEARTH Interim rule. Significant accomplishments from this effort included participating in strategic planning for the new HEARTH requirements and collaboration with a year-long HUD National Technical Assistance (TA) team to analyze and assist the RCCC in recognizing the challenges that exist and recommend ways to progress and ensure HEARTH compliance. Following are some of the other RCCC accomplishments in FY 2014:

- United States Interagency Council on Homelessness (USICH):
 - In the spring of 2014, the RCCC updated action plans that were created in accord with a national CoC Checkup completed in 2012. In September 2012, the San Diego CoC was invited to participate with USICH and HUD in the Priority Community Initiative (PCI). PCI includes one year of technical assistance to put into effect the HEARTH Act standards. A TA plan was approved in November 2012 and work began at the conclusion of the CoC NOFA in January 2013. This successful collaboration resulted in expansion of the initial plan and HUD Technical Assistance was extended through June 2014.
- HEARTH Act of 2009:
 - Revised agency training and program guidelines and HEARTH Interim Rules;
 - Participated in four site visits and extensive TA with PCI TA, focusing on HMIS, governance, systems mapping, and planning;
 - Revise the TA-provided systems modeling tool and completed local systems analysis and a preliminary gaps analysis;
 - With assistance from the Corporation for Supportive Housing, completed and reported on transitional housing (TH) analysis on three projects in 2012-2013 and began the conversion process for one project;
 - Secured private funds from local philanthropy and completed 16 additional TH analyses;
 - Completed the second 100-Day Campaign centered on acceleration of housing placement;
 - Hosted a 25 Cities Launch and systems training with Community Solutions and HUD;

- Participated in three Southern California CoC Leadership Roundtable meetings and three National CoC Peer Sharing conference call;
 - Revised CoC and Project Evaluation criteria and produced users guide;
 - Developed a San Diego Regional Tool for Collaborative Assessment and Coordinated Entry (CACE) as recommended by HUD TA;
 - Adopted a policy prioritizing chronic homeless persons for all vacancies in permanent supportive housing for adults;
 - Substantially redesigned the CoC governance structure, recruited and elected a new CoC Board;
 - Developed and adopted a CoC Governance Charter and revised Data Governance By Laws;
 - Completed a comprehensive HMIS system assessment and report and subsequently automated production of the regional AHAR;
 - Completed annual evaluation of each CoC-funded project; and,
 - Reallocated funds from lower performing projects to create applications for four new permanent supportive housing projects.
- Veterans Issues:
 - Joint participation in two acceleration ‘100 day’ efforts, one to sustain efforts in the central region, one focused on expansion to the north sub-region;
 - Prioritized Disabled Veterans with “Other than Honorable” discharge status;
 - Held quarterly VASH-CoC meetings/calls;
 - Received an award from VA National to contract for a veterans-specific PITC HMIS with improved outreach to veterans;
 - Completed annual Veterans Annual Homeless Assessment Reports (AHAR) for the City and the outlying County;
 - Participated in VA redesigned ‘Intake and Eligibility Clinics’ replacing interest lists with a more efficient intake system for VASH;
 - Assessed underutilized resources for retargeting to veterans;
 - In conjunction with San Diego VA Homeless Healthcare team, completed a gaps metrics tool and identified housing strategies to fill current gaps and projected need through 2015;
 - Conducted local assessment and certification for non-profit applicants for six million dollars in Veterans Affairs Supportive Services for Veterans under Priority 1;
 - Began final evaluation of the Veterans Homeless Prevention Demonstration Project with the Urban Institute, HMIS, and local providers;
 - Developed a 25 Cities Initiative Team who are committed to two years of service focused on ending Veteran and Chronic homelessness; and,
 - Secured Mayors’ commitment to Ending Veterans Homelessness national campaign from four cities.
- ESG Coordination:
 - Consulted with California Department of HCD to develop priorities for leveraging state and local ESG funds to be able to serve non-entitlement areas;

- Conducted certification and rating of applications to CA HCD ESG competition;
 - Refined and document local review process;
 - Created an ESG Manual reflecting local process and strategies which was approved by CA HCD;
 - Convened a new scoring panel to review and rank ESG applications for three ESG areas;
 - Consulted with ESG entitlement areas, including ten cities within the State ESG and three local entitlement areas;
 - Provided four jurisdictions with Consolidated Plan input;
 - Established Assurances and other revised ESG cross-jurisdiction policies;
 - Consulted with HMIS lead in planning for ESG reporting and for tracking applicants who do not receive services;
 - Provided education and alert notices for local non-profits regarding changes in ESG regulations and eligible activities;
 - Determined continued eligibility or ineligibility status for TH programs;
 - Leveraged ESG, CoC, and mainstream resources to assist homeless, chronically homeless individuals, and Veterans to transition from emergency shelters to permanent housing using a standardized assessment tool; and,
 - Secured commitment of City funds.
- Community Connections and Prisoner Re-Entry; State Re-Alignment:
 - Completed program design and Request for Qualifications (RFQ) for re-entry;
 - Began piloting Central Point of Entry and Uniform Assessment and opened Community Transition Center in January 2013;
 - Received continuation of funding approval from Community Corrections Partnership Board for Housing Pilot Program that is coordinated with CoC;
 - Completed Keys to Housing support expanded to 15 jurisdictions; and,
 - Provided input for the Housing Element of general plans for three jurisdictions.
- County of San Diego Section 8 Pilot Program:
 - The first annual review of the pilot project was completed in 2012–2013. Guidelines changed, and as a result the length of stay in TH was reduced 25 percent. Vouchers were allocated from slower performing projects to higher utilization projects. Outcomes for 2012-2013 show between 8%-27% improvement in transition to permanent housing for the participating agencies. For the upcoming year, additional targeting of veterans, including other than honorable, was instituted; and,
 - Received a NAHRO award for the County Pilot – RCCC Section 8 Program.

Through the RCCC planning process, the McKinney-Vento Homeless Assistance Act funds support an array of local homeless initiatives including permanent supportive housing, transitional housing programs and services, and Safe Haven for the homeless mentally ill.

The CoC NOFA application for federal FY 2013 funding moneys (submitted to HUD in the winter of FY 2013) brought in \$14.8 million in homeless funding for the regional CoC. Of this amount, City projects were awarded \$267,407 in new funding and \$9,111,025 in renewal funding for PH, TH and SH

programs within the City and \$484,025 in support for two projects for the regional HMIS system. Awards for new grants were announced in June 2014; grant renewals were announced in April 2014. Of the 21 projects funded in FY 2013, nearly all grants in the application for City projects were renewals except one new PH project, the SDHC-TACHS Unity Project, a new PH project for chronic households. Table 11 below lists grants awarded through the FY 2013 application:

Table 11: Continuum of Care Program Grants in FY 2013

Note: the FY 2014 CoC NOFA has not yet been released. The application filed in February 2014 was for HUD Funding.

Grantee Name	Project Name	Program Type	Housing Type	Budget
Regional Task Force on the Homeless	HMIS Capacity Building	HMIS	N/A	\$417,072
Regional Task Force on the Homeless	HMIS Systems Enhancement	HMIS	N/A	\$67,000
People Assisting the Homeless (PATH)	Connections Housing	SHP	PH	\$605,229
San Diego Youth & Community Services	Take Wing	SHP	TH	\$86,440
St. Vincent de Paul	Fresh Start	SHP	TH	\$611,853
Catholic Charities	9 th & F Street Apartments	SHP	PH	\$32,997
Episcopal Community Services	Downtown Safe Haven	SHP	SH	\$503,889
Veterans Village of San Diego	Veterans Rehabilitation Center	SHP	TH	\$198,065
YWCA of San Diego County	Transitional Living Continuum	SHP	TH	\$1,095,456
St. Vincent de Paul	Solutions Consortium	SHP	TH	\$1,314,189
St. Vincent de Paul	Family Living Center	SHP	TH	\$508,728
St. Vincent de Paul	Toussaint Academy	SHP	TH	\$395,425
St. Vincent de Paul	Solutions 4	SHP	TH	\$845,115
St. Vincent de Paul	Boulevard Apartments	SHP	PH	\$44,221
The Association For Community Housing Solutions (TACHS)	TACHS SHP Cove Apartments	SHP	PH	\$112,199
San Diego Housing Commission	SDHC Merged Grant	PH	PH	\$1,840,575
Volunteers of America	SAMI Program	SHP	TH	\$276,950
San Diego Housing Commission	St. Vincent de Paul—Village Place	PH	PH	\$386,776
San Diego Housing Commission	TACHS Unity	PH	PH	\$267,407
San Diego Housing Commission	TACHS—Prism	PH	PH	\$352,772
YMCA of San Diego County	Turning Point	SHP	TH	\$177,096
Total				\$9,862,504
TH=Transitional Housing; HMIS=Homeless Management Information Systems; PH=Permanent Housing for Persons with Disabilities; SSO=Supportive Services Only; SH=Safe Haven				

Specific Homeless Prevention Elements

1. *Identify actions taken to prevent homelessness.*

Program Year 5 CAPER “Specific Homeless Prevention Elements” Response:

The City did not allocate FY 2014 CDBG or ESG funds for the provision of homeless prevention services.

Emergency Solutions Grants (ESG)

1. *Identify actions to address emergency shelter and transitional housing needs of homeless individuals and families (including significant subpopulations, such as those living on the streets).*
2. *Assessment of Relationship of ESG Funds to Goals and Objectives*
 - a. *Evaluate progress made in using ESG funds to address homeless and homeless prevention needs, goals, and specific objectives established in the Consolidated Plan.*
 - b. *Detail how ESG projects are related to implementation of a comprehensive homeless planning strategy, including the number and types of individuals and persons in households served with ESG funds.*
3. *Matching Resources*
 - a. *Provide specific sources and amounts of new funding used to meet match as required by 42 USC 11375(a)(1), including cash resources, grants, and staff salaries, as well as in-kind contributions, such as the value of a building or lease, donated materials, or volunteer time.*
4. *State Method of Distribution*
 - a. *States must describe their method of distribution and how it rated and selected its local government agencies and private non-profit organizations acting as subrecipients.*
5. *Activity and Beneficiary Data*
 - a. *Completion of attached ESG Program Performance Chart or other reports showing ESG Program expenditures by type of activity. Also describe any problems in collecting, reporting, and evaluating the reliability of this information.*
 - b. *Homeless Discharge Coordination*
 - i. *As part of the government developing and implementing a homeless discharge coordination policy, ESG homeless prevention funds may be used to assist very-low income individuals and families at risk of becoming homeless after being released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs.*
 - c. *Explain how your government is instituting a homeless discharge coordination policy, and how ESG homeless prevention funds are being used in this effort.*

Program Year 5 CAPER “ESG” Response:

Emergency Shelter/Transitional Housing Needs

The City used ESG funds in FY 2014 to fund the Homeless Emergency Winter Shelter Program, the Connections Housing Interim Bed Program, and the Cortez Hill Family Center. The shelters provided homeless individuals normally on the streets with a bed, meals, and a range of comprehensive services from case management to medical services. The Cortez Hill Family Center provided transitional housing and related supportive services to families who would have otherwise been on the streets.

Assessment of Relationship of ESG Funds to Goals/Objectives

Goal 3 of the City’s Con Plan is to shelter persons who are homeless and assist them in moving out of homelessness. Objectives include operating shelters and assisting families with access to transitional housing, case management, and support services. Refer to Appendix D to review Goal 3 and all of the associated objectives and outcomes.

In FY 2014, the City used a significant portion of its \$1,177,964 of ESG entitlement to fund the Homeless Emergency Winter Shelter Program, the Connections Housing Interim Bed Program, and the Cortez Hill Family Center. Refer to Appendix G for a full narrative description of each project’s accomplishments in FY 2014. Also, the tables in Appendix E aggregate and summarize the accomplishments of the individual projects in FY 2014 in relation to this Con Plan goal and objective and allow for evaluation at the programmatic level. Refer to the section on Goal 3 in Appendix E to review the ESG-related accomplishments as of the end of FY 2014.

In FY 2014, the City continued to be an active member of the RCCC. The RCCC is a large, cooperative community group consisting of representatives of the 18 cities within San Diego County, the County of San Diego, non-profit service providers, and other interested parties. It meets on a periodic basis to identify gaps in homeless services, establish funding priorities, and pursue an overall systemic approach to addressing homelessness in the San Diego region. Participation in this forum ensures that the City’s efforts to address homelessness using ESG funds and other resources are coordinated regionally, respond to the most critical needs, and take into consideration input from the public and other homeless advocates. Table 12 below shows the number of homeless individuals that were served with ESG funds in combination with other funds in FY 2014.

Table 12: Shelter Programs Funded in FY 2014 with ESG, CDBG and General Funds (inclusive of transitional housing)

Project	Available Facilities	Persons Served
Cortez Hill Family Center (CDBG & ESG funds)	150 beds and 45 living units	558 persons/176 families (221 adults; 337 children)
Veterans Winter Shelter (ESG, CDBG and General Fund moneys)	150 beds	824 persons

Project	Available Facilities	Persons Served
Connections Housing Interim Bed Program (CDBG & ESG funds)	150 beds	586 persons
Total	670 beds	1,986 persons

In addition to funding shelter programs, ESG funds from the FY 2012 and FY 2013 second allocation went towards a security deposit program that served 134 households in FY 2014 as well as programs that served 144 individuals and families leave the streets, shelters and transitional housing and move on to permanent housing.

Matching Resources

The City is required to match dollar-for-dollar the ESG funding provided by HUD from other public or private sources. The City can provide matching funds directly, or through matching funds or voluntary efforts provided by any sub-recipient or project sponsor.

In FY 2014, the City's allocation of \$780,817 in ESG funds were matched with \$4,708,801 as detailed in Table 13 below.

Table 13: FY 2014 ESG Program Match

Agency	Funding Source	Project	Amount
Young Women's Christian Association	State of California	Cortez Hill Family Center	\$41,660
City of San Diego	Community Development Block Grant	Cortez Hill Family Center	\$253,788
San Diego Housing Commission	San Diego Housing Commission	Cortez Hill Family Center	\$200,000
City of San Diego	Community Development Block Grant	Homeless Emergency Shelter Program (Veterans)	\$312,731
San Diego Housing Commission	San Diego Housing Commission	Homeless Emergency Shelter Program (Tent Construction)	\$175,000
San Diego Housing Commission	San Diego Housing Commission	Homeless Emergency Shelter Program (Single Adults)	\$317,000
City of San Diego	General Funds	Homeless Emergency Shelter Program	\$2,348,032
Connections Housing Year-Round Program	Community Development Block Grant	Interim Beds	\$291,662

Agency	Funding Source	Project	Amount
Connections Housing Year-Round Program	San Diego Housing Commission	Interim Beds	\$40,000
San Diego Housing Commission	HUD/VASH	Security Deposit Plus Program	\$150,000
San Diego Housing Commission	Non-Profit RRH Contractors	Repaid Re-Housing Programs	\$578,928
TOTAL			\$4,708,801

State Method of Distribution

The requirement for states to describe their method of distribution and how they rated and selected their local government agencies and private non-profit organizations acting as sub-recipients is not applicable to the City.

Activity and Beneficiary Data

Using ESG funds, the SDHC contracted with Alpha Project for the Homeless, Veterans Village of San Diego, People Assisting the Homeless (PATH), and Young Women's Christian Association to provide beds and services to the homeless at the Single Adult Winter Shelter, Veterans Winter Shelter, Connections Housing, and Cortez Hill Family Center, respectively. These agencies collected demographic data throughout the operation of the facilities, which were compiled and reported to the City via the SDHC on a monthly basis. The agencies kept track of new and unduplicated clients served. There were no issues in collecting, reporting, and evaluating the data. Table 14 and Table 15 below show the ESG expenditures in FY 2014 sorted by activity type:

Table 14: FY 2014 ESG Expenditures by Activity Type

IDIS	Activity Type	Allocation	Expenditure
6426	Emergency Shelter:	\$653,770	\$628,625
	• Single Adult Homeless Emergency Shelter Program	\$84,954	\$81,721
	• Veterans Homeless Emergency Shelter Program	\$80,000	\$88,008
	• Connections Housing Interim Bed Program	\$126,000	\$100,580
	• Cortez Hill Family Shelter	\$362,816	\$358,316
6427	Rapid Re-Housing (Security Deposit Plus Program)	\$435,847	\$0
6425	HMIS	\$10,000	\$0
6425	Administration:	\$78,347	\$39,829
	• SDHC	\$74,347	\$35,829
	• City of San Diego	\$4,000	\$4,000
Total		\$1,910,081	\$1,336,908

* Expenditure figures are based on internal City and/or San Diego Housing Commission as of the writing of this report and may be pending input into the federal database IDIS

Table 15: FY 2012 ESG (Second Allocation) Expenditures by Activity Type

IDIS	Activity Type	Allocation	Expenditure
6395	Rapid Re-Housing (<i>Security Deposit Plus Program</i>)	\$317,586	\$42,375
6322	HMIS	\$10,000	\$0
6321	Administration	\$44,436	\$0
Total		\$372,022	\$42,375

** Expenditure figures are based on internal City and/or San Diego Housing Commission as of the writing of this report and may be pending input into the federal database IDIS*

In FY 2012, the City was granted \$372,022 additional ESG funds, which required processing a substantial amendment to the FY 2012 Annual Action Plan to identify the projects that would be funded with these moneys. The City approved the substantial amendment in May 2012 and in June of 2012 HUD approved the substantial amendment. Because of changes to the HEARTH Act, HUD was not able to issue the ESG agreement to the City for execution in FY 2012. Therefore, no projects funded with the \$372,022 ESG FY 2012 allocation funds were implemented in FY 2012 and a small portion of the funds were expended in FY 2013 for homeless prevention and re-housing through security/utility deposits and short-term rental subsidies focused on Veterans being awarded VASH vouchers. In FY2014 these programs moved forward in earnest and the 2012 and 2013 Rapid Re-housing allocations were spent on the security/utility deposit program for Vets, and short-term rental subsidies for homeless people rapidly re-housed from the streets, shelters and transitional housing programs.

No FY 2014 ESG funds were utilized for homeless prevention activities and the City has no formal homeless discharge coordination policy in place. However, in FY 2014, the City, through the RCCC, continued to support and coordinate with a number of community organizations and governmental agencies that actively engage in planning and implementing discharge plans and protocols that address the needs of individuals at risk of becoming homeless after receiving services. These individuals include youth aging out of foster care, homeless individuals who are frequent users of health care or mental health services, and individuals leaving county correctional facilities who have special needs and need assistance with transitioning to mainstream society. Members of the RCCC work together to coordinate their efforts and build a continuum of care that provides supportive and preventative services to these individuals at high risk of homelessness after release.

COMMUNITY DEVELOPMENT

Community Development

1. *Assessment of Relationship of CDBG Funds to Goals and Objectives*
 - a. *Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.*
 - b. *Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.*
 - c. *Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.*

2. *Changes in Program Objectives*
 - a. *Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.*
3. *Assessment of Efforts in Carrying Out Planned Actions*
 - a. *Indicate how grantee pursued all resources indicated in the Consolidated Plan.*
 - b. *Indicate how grantee provided certifications of consistency in a fair and impartial manner.*
 - c. *Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.*
4. *For Funds Not Used for National Objectives*
 - a. *Indicate how use of CDBG funds did not meet national objectives.*
 - b. *Indicate how did not comply with overall benefit certification.*
5. *Anti-Displacement and Relocation — for activities that involve acquisition, rehabilitation, or demolition of occupied real property*
 - a. *Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.*
 - b. *Describe steps taken to identify households, businesses, farms, or non-profit organizations that occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.*
 - c. *Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or non-profit organizations.*
6. *Low/Mod Job Activities — for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons*
 - a. *Describe actions taken by grantee and businesses to ensure first consideration was or will be given to low/mod persons.*
 - b. *List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.*
 - c. *If any of jobs claimed as being available to low/mod persons require special skill, work experience, or education, provide a description of steps being taken or that will be taken to provide such skills, experience, or education.*
7. *Low/Mod Limited Clientele Activities — for activities not falling within one of the categories of presumed limited clientele low- and moderate-income benefit*
 - a. *Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele, at least 51% of whom are low and moderate income.*
8. *Program Income Received*
 - a. *Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.*

- b. Detail the amount repaid on each float-funded activity.*
 - c. Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.*
 - d. Detail the amount of income received from the sale of property by parcel.*
- 9. Prior-Period Adjustments — where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:*
 - a. The activity name and number as shown in IDIS;*
 - b. The program year(s) in which the expenditure(s) for the disallowed activity(ies) were reported;*
 - c. The amount returned to line-of-credit or program account; and*
 - d. Total amount to be reimbursed and the time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.*
- 10. Loans and Other Receivables*
 - a. List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.*
 - b. List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.*
 - c. List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.*
 - d. Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.*
 - e. Provide a list of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.*
- 11. Lump Sum Agreements*
 - a. Provide the name of the financial institution.*
 - b. Provide the date the funds were deposited.*
 - c. Provide the date the use of funds commenced.*
 - d. Provide the percentage of funds disbursed within 180 days of deposit in the institution.*
- 12. Housing Rehabilitation — for each type of rehabilitation program for which projects/units were reported as completed during the program year*
 - a. Identify the type of program and number of projects/units completed for each program.*
 - b. Provide the total CDBG funds involved in the program.*
 - c. Detail other public and private funds involved in the project.*
- 13. Neighborhood Revitalization Strategies — for grantees that have HUD-approved neighborhood revitalization strategies*
 - a. Describe progress against benchmarks for the program year. For grantees with federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization*

strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting progress.

Program Year 5 CAPER “Community Development” Response:

Assessment of Relationship of CDBG Funds to Goals/Objectives

While all projects and activities described in this CAPER may be considered as furthering community development in the City, Goals 9, 10, 11, and 12 of the Con Plan focus particularly on community development activities.

Goal 9 is aimed at expanding opportunities for new industries and local small businesses. Goal 10 is intended to support the continued revitalization of low/moderate-income neighborhoods. Goal 11 calls for the examination of additional financial resources to create new programs that further community development. Goal 12 seeks to enhance efforts to build the capacity of non-profit organizations, including those that provide fair housing assistance. Refer to Appendix D to review Goals 9–12 and all of the associated objectives and outcomes.



Image 14: Micro-enterprise workshop conducted by Accion, a 501(c)(3) nonprofit organization sub-recipient of CDBG funds.

The table below shows the CDBG projects that were implemented in FY 2014 pursuant to Goals 9 and 12 which allow for quantitative outcomes to measure advances toward these goals (contrary to goals 10 and 11). Refer to Appendix G for a full narrative description of each project, is actual accomplishments, the amount of funding that was allocated to the project, and the actual amount expended during FY 2014.

Table 16: CDBG Projects in FY 2014 Addressing Community Development

IDIS #	Funding Year	Agency	Project	FY 2014 Expenditure*
Completed Projects				
6555	2014	Local Initiative Support Corporation	Nonprofit Financial Capacity Building	\$74,441
6535	2014	Union of Pan Asian Communities	Multicultural Economic Development	\$128,085
6533	2014	Acción San Diego	Micro-lending Program	\$204,592
6532	2014	Access, Inc.	Access Microenterprise Development Project	\$49,744
TOTAL				\$456,862

* Expenditure figures are based on the federal database IDIS as of the writing of this report

During FY 2014, none of the projects funded was categorized as addressing Goal 10. However, the City continued efforts to revitalize low/moderate-income neighborhoods in FY 2014 through many of the projects funded with CDP funds, as well as citywide code enforcement, the LSHHP program, and Redevelopment activities.

In FY 2014, the City received a reduced allocation in CDBG, HOME, and HOPWA entitlement funds relative to allocations in previous years. Therefore, Goal 11 to create new programs as dollars become available was not addressed in FY 2014. It should also be noted that Goal 11 does not result in an annual quantifiable performance measure.

Program Objective Changes During FY 2010 – FY 2014

In FY 2013, the City refined Goal 12 of the Con Plan to incorporate additional outcomes regarding fair housing that were developed in consultation with its fair housing service contractors. The additional outcomes enhance the City's ability to measure its progress on furthering fair housing knowledge, practices, and enforcement throughout its HUD-funded projects and programs. See Appendix D for the latest version of the goals, objectives, and outcomes.

In September 2012, the City established a policy to automatically set aside a portion of its annual CDBG funds for public services in an amount not to exceed \$1,318,078 for homeless-related programs and services. The set-aside policy further implements the City's desire to address the needs of its most vulnerable citizens, and realigns the City's priorities in the use of its CDBG public services funds in conjunction with ESG funds.

Assessment of Efforts in Carrying Out Planned Actions

In FY 2014, the City leveraged CDBG funds with funds from other federal, state, and local sources. Refer to the "Leveraging Resources" section on page 12 for a description of those sources and the programs that they funded.

The City's HUD Program Administration Office handles certifications of consistency with the Con Plan for agencies applying for other HUD funding. Certifications are handled in a fair, impartial, and timely manner. The City has taken no action to hinder the implementation of the Con Plan and has actively implemented related projects and programs that aid in achieving the goals and objectives of the Con Plan. Table 16 below shows the certifications of consistency with the Con Plan that the City prepared in FY 2014:

Table 16: FY 2013 Certifications of Consistency

Date	Applicant	Project Name	Federal Program
1/15/2014	San Diego City and County Continuum of Care (CA-601)	HEARTH Continuum of Care Application FY 2013	HEARTH Continuum of Care Program NOFA
5/2/2014	Chelsea Investment Corporation	WJJ Apartments	HOME

The City did not hinder implementation of the Con Plan by action or willful inaction. The City pursued and obtained funds from multiple sources that assisted in meeting Con Plan goals and objectives. Refer to the “Leveraging Resources” section for a description of those sources and the projects and programs that are being implemented.

Furthermore, staff continued to work with the City Council and the CPAB in FY 2014 to increase citizen participation and improve the FY 201 CDBG application submittal and evaluation process. Refer to the “Executive Summary” section for more information on this effort.

Funds Not Used for National Objectives

All CDBG-funded projects in FY 2014 met a national object as required.

Anti-Displacement and Relocation

No CDBG-funded projects were conducted during FY 2014 that required displacement or relocation of households, businesses, farms, or non-profit organizations subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974.

Low/Mod Job Activities

No CDBG funds were allocated to any project conducting Low/Mod Job Activities.

Low/Mod Limited Clientele Activities

No CDBG funds were allocation to any project conducting Low/Mod Limited Clientele Activities that did not meet the low/moderate-income benefit requirements. All projects conducting Low/Mod Limited Clientele Activities served individuals and/or families presumed by HUD to be principally LMI (abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers). Remaining projects were required to collect and maintain required documentation demonstrating that the activities conducted benefited limited clientele, at least 51 percent of whom were low or moderate income.

Program Income

The City received \$3,976,900 of PI due to CDBG debt repayment by the former City of San Diego Redevelopment Agency. All PI received was allocated toward FY 2014 CDBG projects.

In FY 2014, the City did not have any float-funded activity. Therefore, no repayment was required.

During FY 2014, no HUD Section 108 Loans were repaid using FY 2014 CDBG funds.

Prior-Period Adjustment

There were no prior-period adjustments in FY 2014.

Loans and Other Receivables

In FY 2014, the City did not have any CDBG float-funded activities.

Table 17 below identifies the total number of outstanding HOME-funded loans and the principal balance owed as of the end of FY 2014.

Table 17: Outstanding HOME Loans and Principal Balance Owed as of June 30, 2014

Loan Type	Total Number of Outstanding Loans	Total Principal Balance Owed	Deferred Payment or Forgivable	Loan Term Length (Years)
First-Time Homebuyer	953	\$30,826,438	Deferred; none forgiven	30
Owner-Occupied and Rental Rehabilitation	288	\$3,954,530	Deferred or require payments; none forgiven	10–30
Rental Housing Production	75	\$113,807,515	Deferred or require fixed or residual receipts payments; none forgiven	30–55
Total	1,316	\$148,588,483		

Table 18 below shows the total number of HOME-funded loans whose principal balance was written off as of the end of FY 2014 and the terms of the forgiveness.

Table 18: Loans and Principal Balance Deferred/Forgiven as of June 30, 2014

Loan Number	Loan Type	Address	Amount Written Off	Brief Explanation
4-SA-1269	First-Time Homebuyer	Leilani Way, San Diego, CA 92154	\$38,118	The property was sold at a foreclosure sale to a third-party bidder. The Housing Commission recovered \$42,882 of the HOME loan funds through the sale, leaving a balance of \$38,118 to be written off on 11/04/13.
4-N3-1784	First-Time Homebuyer	Via Fiesta, San Diego, CA 92127	\$10,010	Property was sold as a short sale on 09/19/13. The Housing Commission received \$37,990 to apply towards the HOME loan, leaving a balance of \$10,010 to be written off.
4-13-0867	First-Time Homebuyer	Coban Street, San Diego, CA 92114	\$18,936	Property was sold as a short sale on 11/14/13. The Housing Commission received \$6,063 to apply towards the HOME loan, leaving a balance of \$18,936 to be written off.

Loan Number	Loan Type	Address	Amount Written Off	Brief Explanation
4-13-1134	First-Time Homebuyer	Bluehaven, San Diego, CA 92154	\$66,700	Property was sold as a short sale on 12/31/13. The Housing Commission received \$5,800 to apply towards the HOME loan, leaving a balance of \$66,700 to be written off.
3-18-1733	Rehabilitation	49 th Street San Diego, CA 92102	\$9,400	Property was sold as a short sale on 3/24/14. The Housing Commission received \$600 to apply towards the HOME loan, leaving a balance of \$9,400 to be written off.
3-18-2097	Rehabilitation	N. 39 th Street, San Diego, CA 92105	\$16,739	The property was sold at a foreclosure sale to a third party bidder. On 7/16/13, the Housing Commission's HOME loan of \$16,739 was written off due to the sale.

As of the end of FY 2014, the City did not have loans made with CDBG funds that had gone into default and for which the balance was forgiven or written off.

As of the end of FY 2014, the City or its sub-recipients did not have property available for sale that had been acquired or improved using CDBG funds.

Lump Sum Agreements

The City did not execute any lump sum agreements in FY 2014.

Housing Rehabilitation



The table below shows the number of units rehabilitated and the amount of CDBG funds expended as of the end of the fiscal year for each active or completed project during FY 2014. Refer to Appendix G for a complete description of each project.

Image 15: Sycamore Court Rehabilitation Project

Table 19: CDBG-Funded Housing Rehabilitation Projects in FY 2014

IDIS #	Year Funded	Project Name	Housing Units Completed	CDBG Funds Expended
Completed Projects				
6539	2014	RTSD Roof Replacement	14	\$148,535
6538	2014	San Diego Solar Affordable Homes Program	60	\$192,000

IDIS #	Year Funded	Project Name	Housing Units Completed	CDBG Funds Expended
Completed Projects				
6291	2013	Low-Income Housing Solar Power	34	\$137,401
6289	2013	San Diego Solar Affordable Homes Program	17	\$52,700
6288	2013	Safe and Healthy Homes Project FY 2013	67	\$122,223
6287	2013	Sycamore Court Rehabilitation Project	7	\$290,197
6286	2013	City Heights Neighborhood Rehabilitation Project	17	\$453,222
6141	2012	Rehabilitation of Picador Boulevard Apartments <i>Units completed do not relate to funds expended due to federal database (IDIS) and CAPER procedures and requirements</i>	75	\$0
5158 5156 5145	2009	Parker-Kier Apartments <i>Units completed do not relate to funds expended due to the federal database (IDIS) and CAPER procedures and requirements</i>	33	\$0
TOTAL			324	\$1,396,278
Ongoing Projects				
6751	2014	Safe and Healthy Homes Project FY 2014 (Multi-Family)	12	\$63,743
6634	2014	RTSD Minor Residential Rehabilitation Project	0	\$7,671
6633	2014	Neighborhood Enhancement Project	0	\$114,467
6541	2014	WEER/Green Streets	103	\$176,103
6537	2014	Las Serenas Rehab and Repair	0	\$2,750
6536	2014	Safe and Healthy Homes Project FY 2014 (Single Units)	44	\$228,758
6527	2014	Low-Income Senior Housing Improvement Project	0	\$0
TOTAL			159	\$593,492

* Expenditure figures are based on the federal database IDIS as of the writing of this report

It should be noted that 8 owner-occupied homes were rehabilitated using HOME funds.

Neighborhood Revitalization Strategies

The City did not have any HUD-approved Neighborhood Revitalization Strategies in FY 2014.

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Antipoverty Strategy

1. Describe actions taken during the last year to reduce the number of persons living below the poverty level.

Program Year 5 CAPER “Antipoverty Strategy” Response:

According to the 2010 American Community Survey 1-Year Estimates of the United States Census Bureau, 17.4 percent of all City residents are estimated to be living below the poverty level. Among all families with children, 18.5 percent are estimated to be living below the poverty level. The situation is most critical for female-headed families with children, with 39.5 percent estimated to be living below the poverty level.

Beyond the provision of more access to affordable housing through a number of efforts taken by the City to reduce the number of persons living below the poverty level is through economic development activities. Using CDBG funds, the City has provided for small business assistance and has nurtured microenterprise development. In FY 2014, 245 exiting and newly established microenterprise businesses (5 or less employees, inclusive of owner) were assisted with CDBG funds.

The City leverages the CDBG funds that it directs toward economic development with programs administered by its Office of Small Business and Business Finance Section. Refer to the “Leveraging Resources” section for a description of those programs and associated accomplishments in FY 2014.

San Diego Regional Enterprise Zone (SDREZ) Program

San Diego’s economy is regional in nature and collaborating with other local cities and the state to expand business incentives increases San Diego’s ability to compete with other regions, create new jobs, retain businesses, facilitate business growth and expansion, and increase overall capital investment in the region.

To further these business incentive initiatives, the City and its partner agencies (City of Chula Vista, National City, and Unified Port of San Diego) have been promoting the San Diego Regional Enterprise Zone (SDREZ) incentives to businesses throughout the region since the SDREZ was established in 2006. SDREZ serves businesses located in economically disadvantaged neighborhoods in the San Diego region; as well as residents facing barriers to employment by stimulating private investment and creating new employment opportunities in our region’s low/moderate-income communities.

SDREZ Expansion Area

In September 2012, the State approved an expansion of the SDREZ which included approximately 2,900 acres of prime industrial lands in San Diego as well as our SDREZ partner jurisdictions (Cities of Chula Vista and National City). The majority of the properties included within the SDREZ expansion area comprise a variety of research and manufacturing sector based industries that typically pay higher wages than commercial and retail sectors. Additionally, businesses in the expansion area typically draw

a large percentage of their workforce from economically disadvantaged areas of the region, including individuals residing in the region's low-moderate income level census tracts (Targeted Employment Area).

Since adoption of the SDREZ expansion area in 2012, there has been noticeable, gradual increase in the annual number of expansion area businesses taking advantage of the EZ employee hiring credit incentive. SDREZ staff expects this trend to continue through the remaining months of voucher certificate eligibility (which terminates on December 31, 2014).

SDREZ program Termination

Despite the success of the SDREZ program, and tax incentives captured by numerous qualifying businesses in the region, CA State legislation approved in 2013 resulted in early termination of the State's EZ programs on December 31, 2013. Although the program has been terminated, the State is allowing EZ's to continue accepting and approving employee tax credit voucher applications (for qualified employees hired prior to December 31, 2013) until December 31, 2014.

Remaining EZ incentives available to businesses in the SDREZ for the remainder of CY2014 include:

- A tax credit on the wages paid to qualified employees hired prior to December 31, 2013 over a maximum 5-year period (50% in the first year, 40% in the second year, etc.);
- Assistance with the recruitment and hiring of targeted employees;
- Expedited permit processing for qualified projects; and
- Access to specialized technical assistance programs.
- Businesses within the SDREZ expansion area (adopted in September 2012) will continue to capture EZ tax credits based on employees residing in low-moderate income level census tracts (Targeted Employment Area) at time of hire.

FY14 SDREZ Accomplishments

The following list highlights some of the SDREZ accomplishments in FY 2014:

- Region wide (including San Diego, Chula Vista & National City):
 - Approx. 15,078 hiring credit certificates issued (34% increase from FY 2013)
 - Approx. 16% of hiring credit certificates issued were for new jobs
 - Average employee hourly rate for certificates issued was \$12.07 (5% decrease from FY 2013)
- Citywide (San Diego-only):
 - Approx. 10,207 hiring credit certificates issued (25% increase from FY 2013)
 - Approx. 19% of hiring credit certificates issued were for new jobs
 - Average employee hourly rate for certificates issued was \$12.71 (4% decrease from FY 2013)

State replacement Business Incentive Programs

With the premature termination of the State's EZ program in 2013, the State has introduced the following replacement business incentive programs for qualifying businesses in the San Diego region as described below.

Program Name	Effective Date	Incentive Type	Administered by
CA Competes	January 1, 2014	Business Tax Credit (competitive format)	State - Go-BIZ Office
Partial Sales Tax Exemption	July 1, 2014	Removes State's portion of Sales tax for Qualifying Equipment Purchases	State - Board of Equalization (BOE)
New Employment Credit (NEC)	January 1, 2014	Tax Credit(s) based on various Employee Eligibility Categories (including former EZ & LAMBRA boundaries, and low-moderate income census tracts)	State - Franchise Tax Board (FTB)

While these replacement incentive programs will be administered by the various referenced State agencies; the City of San Diego intends to assume a local role in promoting these new initiatives and educating businesses in our region regarding program qualifications and eligibility.

NON-HOMELESS SPECIAL NEEDS

Non-Homeless Special Needs

1. *Identify actions taken to address special needs of persons that are not homeless but require supportive housing (including persons with HIV/AIDS and their families).*

Program Year 5 CAPER "Non-Homeless Special Needs" Response:

Goal 2 of the City's Con Plan is to create a better living environment for persons with special needs. Objectives include making public facilities accessible to person with disabilities, increasing private sector housing with accessibility features, supporting the provision of social services to low- and moderate-income persons, and encouraging the creation of supportive housing. Refer to Appendix D to review Goal 2 and all of the associated objectives and outcomes.

Table below shows the CDBG projects that were implemented in FY 2013 pursuant to Goal 2 to address non-homeless special needs. Refer to Appendix G for a full narrative description of each project and its 2014 accomplishments. Refer to Appendix E for a tabulation of accomplishments in relations to the Con Plan goals, objectives and outcomes.



Image 16: A staff person preparing a delivery for Meals-on-Wheels.

Table 22: CDBG Projects in FY 2014 Addressing Non-Homeless Special Needs

IDIS #	Funding Year	Agency	Project	Expenditure during FY 2014*
Completed Projects				
6635	2014	Senior Community Centers of San Diego	Supplemental Food for Seniors in Poverty Program	\$55,658
6553	2014	San Diego Second Chance Program	Job Readiness Training Program	\$219,945
6549	2014	National Family Justice Center Alliance	Safety to Self-Sufficiency	\$143,344
6548	2014	Meals-on-Wheels Greater San Diego County, Inc.	Home Delivered Meals for Seniors	\$100,000
6547	2014	Family Health Centers of San Diego	Safe Point San Diego	\$74,528
6545	2014	Casa Familiar, Inc.	Casa Familiar Senior Services	\$83,657
6544	2014	Casa Cornelia Law Center	Legal Services for Immigrant Victims of Domestic Violence	\$79,835
TOTAL				\$757,967

* Expenditure figures are based on the federal database IDIS as of the writing of this report

In addition to the CDBG projects on listed above, non-homeless special needs are also addressed with projects and programs funded with HOME and HOPWA moneys.

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Specific HOPWA Objectives

1. Overall Assessment of Relationship of HOPWA Funds to Goals and Objectives

Grantees should demonstrate through the CAPER and related IDIS reports the progress they are making at accomplishing identified goals and objectives with HOPWA funding. Grantees should demonstrate:

- a. That progress is being made toward meeting the HOPWA goal for providing affordable housing using HOPWA funds and other resources for persons with HIV/AIDS and their families through a comprehensive community plan;
- b. That community-wide HIV/AIDS housing strategies are meeting HUD's national goal of increasing the availability of decent, safe, and affordable housing for low-income persons living with HIV/AIDS;
- c. That community partnerships between State and local governments and community-based non-profits are creating models and innovative strategies to serve the housing and related supportive service needs of persons living with HIV/AIDS and their families;
- d. That through community-wide strategies, federal, state, local, and other resources are matched with HOPWA funding to create comprehensive housing strategies;
- e. That community strategies produce and support actual units of housing for persons living with HIV/AIDS; and finally,
- f. That community strategies identify and supply related supportive services in conjunction with housing to ensure the needs of persons living with HIV/AIDS and their families are met.

2. This should be accomplished by providing an executive summary (1–5 pages) that includes:

a. Grantee Narrative

i. Grantee and Community Overview

- (1) A brief description of your organization, the area of service, the name of each project sponsor, and a broad overview of the range/type of housing activities and related services.
- (2) How grant management oversight of project sponsor activities is conducted and how project sponsors are selected.
- (3) A description of the local jurisdiction, its need, and the estimated number of persons living with HIV/AIDS.
- (4) A brief description of the planning and public consultations involved in the use of HOPWA funds, including reference to any appropriate planning document or advisory body.
- (5) What other resources were used in conjunction with HOPWA-funded activities, including cash resources and in-kind contributions, such as the value of services or materials provided by volunteers or by other individuals or organizations.
- (6) Collaborative efforts with related programs, including coordination and planning with clients, advocates, Ryan White CARE Act planning bodies, AIDS Drug Assistance Programs, homeless assistance programs, or other efforts that assist persons living with HIV/AIDS and their families.

ii. Project Accomplishment Overview

- (1) A brief summary of all housing activities broken down by three types: emergency or short-term rent, mortgage, or utility payments to prevent homelessness; rental assistance; facility-based housing, including development cost, operating cost for those facilities, and community residences.*
- (2) The number of units of housing which have been created through acquisition, rehabilitation, or new construction since 1993 with any HOPWA funds.*
- (3) A brief description of any unique supportive service or other service delivery models or efforts.*
- (4) Any other accomplishments recognized in your community due to the use of HOPWA funds, including any projects in developmental stages that are not operational.*

iii. Barriers or Trends Overview

- (1) Describe any barriers encountered, actions in response to barriers, and recommendations for program improvement;*
- (2) Trends you expect your community to face in meeting the needs of persons with HIV/AIDS; and*
- (3) Any other information you feel may be important as you look at providing services to persons with HIV/AIDS in the next 5–10 years.*

b. Accomplishment Data

- i. Completion of CAPER Performance Chart 1 of Actual Performance in the provision of housing (Table II-1 to be submitted with CAPER).*
- ii. Completion of CAPER Performance Chart 2 of Comparison to Planned Housing Actions (Table II-2 to be submitted with CAPER).*

Program Year 5 CAPER “Specific HOPWA Objectives” Response:

Overall Assessment

Goal 4 of the City’s Con Plan is to create a better living environment for persons who are living with HIV/AIDS. Objectives include providing housing assistance and supportive services and increasing public awareness of HIV/AIDS and information and resources available to those living with HIV AIDS. Refer to Appendix D to review Goal 4 and all of the associated objectives and outcomes.

The HOPWA CAPER prepared by the County of San Diego is being prepared and will be included in the CAPER submitted to HUD. The HOPWA CAPER provides for a detailed assessment of the accomplishments in relation to HOPWA-specific goals and objectives in FY 2014. A summarized version of this information is currently provided in Appendix G.

In addition, Table 4F in Appendix F lists the projects and activities that were implemented, and how much was expended, in FY 2014 according to Con Plan goals and objectives. The tables in Appendix E aggregate and summarize the accomplishments of the individual projects and activities in FY 2014 per

Con Plan goal and objective and allow for evaluation at the programmatic level. Refer to the section on Goal 4 in Appendix E to review the HOPWA-related accomplishments as of the end of FY 2014.

Grantee and Community Overview

The City is the HOPWA program grantee. Through a contract agreement with the San Diego County Department of Housing and Community Development (HCD), the County of San Diego has assumed the every-day administrative responsibilities for the HOPWA program. In addition to the Countywide HOPWA program, HCD operates housing programs in the unincorporated areas and in 15 of the 18 cities within San Diego County. HCD provides housing assistance and community improvements through programs that benefit low- and moderate-income persons.

The County of San Diego administered HUD's HOPWA Program Year 2013 allocation of \$2,726,216 to fund activities implemented in FY 2014. In addition, prior-year funds were used to supplement the federal Program Year 2013 allocation for activities in FY 2014. These funds were expended in direct service contracts with agencies and non-profit organizations providing direct services to low-income persons with HIV/AIDS. 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
- Tenant-based rental assistance
- Short-term supportive facilities (hotel/motel vouchers)
- Supportive services
- Technical assistance

On April 5, 2011, the San Diego County Board of Supervisors authorized the release of the HOPWA request for proposals (RFP) for fiscal years 2013, 2014, and 2015, and authorized the execution of contracts for a term of one year with two 1-year renewal options. Subsequently on November 2, 2012, another HOPWA RFP was released. Table 20 below shows the community-based organizations and County of San Diego agencies that were recommended for and received funding to implement HOPWA-eligible activities through the aforementioned RFPs. Refer to Appendix G for a full description of these projects.

Table 20: FY 2014 HOPWA-Funded Projects

IDIS #	Agency	Project	Expenditure
6507	Being Alive San Diego	Helping Hands Moving Services	\$56,320

IDIS #	Agency	Project	Expenditure
6497	Townspeople	Emergency Housing	\$99,761
6499	Community HousingWorks	Residential Services Coordinator	\$30,315
6508	County of San Diego Health and Human Services Agency	HIV, STD, and Hepatitis Branch Case Management Program	\$238,495
6389 6182	County of San Diego Housing and Community Development Department	Tenant-Based Rental Assistance Program	\$658,486
6501	Fraternity House, Inc.	Fraternity House Licensed Residential Care Home	\$163,061
6502	Fraternity House, Inc.	Michaelle House Licensed Residential Care Home	\$198,110
6503	South Bay Community Services	Residential Services Coordinator	\$24,982
6506	St Vincent De Paul Village, Inc.	Josue Homes Transitional Housing	\$566,430
6505	Stepping Stone of San Diego	Enya House Transitional Housing	\$135,711
6498	Townspeople	Housing Operations	\$47,504
6510	Being Alive	Housing Information and Referral Program	\$87,657
6509	Mama's Kitchen	HOPWA Nutrition Project	\$150,823
6504	Stepping Stone of San Diego	Central Avenue Sober Living Transitional Housing	\$65,778

** Expenditure figures are based on the federal database IDIS as of the writing of this report*

Project Sponsor Oversight/Selection: All contracts funded by HOPWA specify monitoring, inspecting, and reporting requirements. Each year, HCD staff monitors all HOPWA projects.

During FY 2014, HOPWA-funded activities were monitored by reviewing monthly, quarterly, and annual progress reports that described project accomplishments, information on the number of families assisted, proof of current insurance coverage, annual audits, management reports, compliance with rent restrictions, and rent calculations to ensure programs are producing effective measurable results. In addition, staff conducted onsite file reviews and unit inspections to ensure compliance with Housing Quality Standards. In addition, HCD staff provided ongoing technical assistance to sub-recipients throughout the year.

The procurement process was handled by the County of San Diego's Purchasing and Contracting Department. As described, project sponsors that received HOPWA funds in FY 2014 were selected through two separate Requests for Proposals issued by the County.

Needs/Statistics: A 2014 Key Data Findings report completed by the San Diego HIV Health Services Planning Council states that the cumulative number of AIDS cases reported through December 31, 2013 was 15,260. The cumulative number of HIV cases reported during the same period above was 5,485. The rate of new AIDS cases has decreased or leveled off since 1993. However, the number of people living with AIDS continues to increase each year (although at a slower or level rate) as people with AIDS live longer. During the January 1, 2012 through December 31, 2013 period, 458 new AIDS cases and 563 new HIV (not AIDS) cases were diagnosed and reported in San Diego County.

In 2014, a needs assessment of people living with HIV/AIDS (PLWHA) was conducted by the San Diego HIV Health Services Planning Council, in which 1,457 PLWHA were surveyed. According to the 2014 HIV/AIDS Needs Assessment, an estimated 34% of persons living with HIV/AIDS have unmet need for HIV Primary Care (25% of people with AIDS; 46% of people with HIV (non-AIDS)). The five most important unmet needs included HIV/AIDS medications, primary HIV medical care, dental care, case management, and transportation.

Planning/Public Consultations: The County of San Diego continues to work towards ensuring adequate citizen involvement in the planning, implementation, and evaluation of its housing and community development programs. As in years past, HOPWA program staff worked diligently in FY 2014 with community-based organizations, government agencies, and developers to establish adequate housing and support services for people living with HIV/AIDS. Program staff maintained a permanent seat on the San Diego HIV Health Services Planning Council. In addition, the County of San Diego provided staff to the Joint City/County HIV Housing Committee. The HIV Housing Committee includes members of other HIV planning groups, affordable housing developers, service providers, and consumers. It provides meaningful citizen and community participation in the planning process associated with affordable housing and related support services for person living with HIV/AIDS. The HIV Housing Committee serves as an advisory body to the director of the San Diego County Department of Housing and Community Development regarding priorities and needs of the community affected by HIV/AIDS and housing. The County of San Diego continues to provide opportunities for meaningful involvement at all stages of the process, including:

- Needs identification
- Priority setting
- Funding Allocations
- Program recommendations

Leveraging: The HOPWA program leverages an array of funding from public and private resources that help address the needs of persons with HIV/AIDS. During FY 2014, volunteers provided a substantial amount of service hours at many HOPWA-funded agencies. Volunteers are typically recruited from volunteer fairs or may be participants of HOPWA-funded programs, the United States Navy, local church congregations, St. Village de Paul Village Volunteer Services, Josue Homes alumni, community-

based pharmacies, local HIV service organizations, and pharmaceutical companies. Volunteers come with the desire to contribute to the program and clientele. Volunteers for specific tasks, like grounds cleanup or orientation groups, were recruited through the St. Vincent de Paul Village Volunteer Services program.

For example: a HOPWA provider reported that 821 volunteers provided 33,787 hours of service valued at \$836,228 by the Independent Sector and drove 127,740 miles in their own vehicles at an estimated value of \$127,470 totaling nearly \$1 million dollars in donated service. In addition to delivering 353,052 meals to 622 home delivered meal service clients in their homes, volunteers assist with meal preparation and packaging, administrative tasks and fundraising. Two major fundraising events enjoyed record return with Mama's Day in May and Pie in the Sky in November netting over \$330,000. Ongoing collaboration with hundreds of case managers and health care providers who refer eligible clients and recertify their continued eligibility semiannually allows us to focus resources on nutritional support.

Another HOPWA provider reported that they have been able to utilize contributions from company donations, such as Sprouts market that donate milk, eggs, and bread once a month. Additionally, agency participates in Adopt-A-Family event, in which donors purchase gifts for the families during the Holiday season.

Many agencies also received in-kind contributions and cash donations. HOPWA-funded agencies also took a proactive approach to increasing program income. HOPWA-funded agencies implemented annual fundraising plans to increase income received from private donations, foundations, and grants. HOPWA-funded agencies also partnered with non-HOPWA funded agencies to offer a broader scope of services.

HOPWA-funded agencies collaborate with a variety of health care providers and case management agencies to identify eligible clients including, but not limited to, Christie's Place, San Ysidro Health Center, Kaiser Permanente, Owen Clinic, and Sharp Rees-Stealy Medical Group. A total of \$2,841,061 in leveraged funds from other public and private resources helped address the needs identified in this plan.

Collaborative Efforts: On behalf of the City, the County of San Diego worked closely with the Regional Continuum of Care Committee, which is jointly sponsored by the San Diego HIV Health Services Planning Council and the County of San Diego HIV Prevention Community Planning Board, and includes over 50 community-based organizations, government agencies, and developers to establish adequate housing and support services for people living with HIV/AIDS. HCD staff also maintains a permanent seat on the County of San Diego HIV Health Services Planning Council, in addition to convening the Joint City/County HIV Housing Committee that addresses special needs concerns for persons living with HIV/AIDS who are homeless and not homeless but require supportive housing. The Joint City/County HIV Housing Committee includes members of other HIV planning groups, affordable housing developers, service providers, and consumers. It provides meaningful citizen and community participation in the planning process associated with affordable housing and related support services for persons living with HIV/AIDS. The Joint City/County HIV Housing Committee serves as an advisory

body to the director of the San Diego County Department of Housing and Community Development regarding priorities and needs of persons in the community affected by HIV/AIDS and housing.

Project Accomplishment Overview

The HOPWA program has provided funding for the following activities for low-income persons living with HIV/AIDS and their families in San Diego County:

1. Transitional housing
2. Permanent housing
3. Case management services
4. Tenant-based rental assistance
5. Acquisition/rehabilitation and new construction
6. Information and referral services
7. Moving services
8. Residential services coordination
9. Emergency housing
10. Technical assistance



Image 17: A residential housing project funded by HOPWA.

Since 1993, a total of 120 units have been developed. Currently, there are a total of eight stewardship units that are in operation. On June 16, 2009, the San Diego County Board of Supervisors authorized the allocation of up to \$1.2 million in HOPWA funds to Townspeople, a non-profit public benefit corporation, for the acquisition and rehabilitation of the 34th Street Project in FY 2010, which continued to provide five HOPWA permanent housing units in FY 2014.

Following are brief descriptions of unique supportive services or other service delivery models or efforts implemented in San Diego County to benefit persons living HIV/AIDS in FY 2014:

- **Case Management Services:** Case management programs sponsored by the County of San Diego Health and Human Services Agency provided intensive case management and supportive services to 109 people. Townspeople provided emergency housing in the form of hotel/motel vouchers to 46 households. Emergency housing of this type was clarified by HUD's Technical Assistance staff as being considered a HOPWA supportive services activity.
- **Housing Information and Referral Services:** Approximately 14,787 contacts for information and referrals were made in FY 2014 via walk-ins, telephone calls, website hits and social media. This program provides information regarding available and affordable housing that meets the needs of people with special needs, housing options for those living with HIV/AIDS with co-occurring disorders, vacancies, application procedures and contact information for housing providers and comprehensive housing plans for persons living with HIV/AIDS to maintain housing, prevent homelessness, and return unsheltered persons living with HIV/AIDS to suitable housing.
- **Moving Services:** Approximately 84 households were provided with moving services Countywide in FY 2014. Moving services included completely moving a participant to a new

location or providing materials required to move, such as boxes and packing tape. The program assisted individuals with HIV/AIDS in an effort to promote housing stability.

- **Residential Services Coordination:** Residential services coordination was implemented to assist providers in addressing the needs of HIV-infected residents residing in project-based housing. The purpose of the program is to assist residents in maintaining stable housing through daily contact with staff. The staff acts as a liaison between residents, case management, and property management to address any issues that may threaten the residents' housing stability. Staff from Community HousingWorks and South Bay Community Services assisted approximately 26 households in FY 2014.

Barriers or Trends Overview

In FY 2014, service providers continued encountering several barriers to providing HOPWA-funded services in the San Diego region. Providers reported a negative impact to their agencies and the services that they provide due to cuts to state and federal budgets. Reductions in the federally funded Ryan White CARE Act and similar state of California budget cuts resulted in staff reductions and reduced the service capacity of certain providers.

Health issues seem to be a common barrier that disables individuals from working and finding permanent housing. Actions have consisted of clients maintaining continual preventative health check-ups. English as a second language is another barrier. We have taken action in interpreting a lot of the information for clients. Recommendation is for our clients to receive more knowledge in their first language. Many are undocumented or have no social security number to begin accessing certain services. Action has been to educate clients of their rights and even seeking legal status.

Trends that the community will continue to face is the language barrier as many of our clients' native language is Spanish, especially because our proximity to the Mexican border. Homelessness also continues to be a major issue across San Diego and that is no exception to persons with HIV/AIDS.

Our greatest challenge is ongoing funding for our mission. A diversified fundraising strategy including government contracts is our approach to meeting this challenge. As people respond to better medications, nutrition will remain a critical component in their enjoyment of a healthy quality of life.

More housing opportunities for families with HIV/AIDS are needed. Traditionally, providers have had a long waitlist for applicants to supportive housing programs.

Lack of part-time employment opportunities for persons re-entering the job market was a barrier. Josue Homes plans to work with the Job Developer at St. Vincent de Paul Village to find part-time opportunities for Josue Homes clients. Shrinking funding for specialized HIV primary and support services was also another barrier. Providers must identify support services, employment opportunities, and affordable housing resources for clients. Specifically, providers must identify resources not funded by the usual HIV funding streams (e.g., RWTEA, HOPWA). With the implementation of the Affordable Care Act, providers and consumers must share information and

strategies for obtaining and maintaining appropriate and effective medical care for HIV and co-occurring disorders.

Barriers such as lack of stable housing, low income, and poor nutrition have been identified as gaps within the National HIV/AIDS Strategy (NAS) model. It is anticipated that mental health issues, such as untreated mental illness, cumulative trauma, and substance abuse, will need to enter into the discussion of major barriers impacting the HIV epidemic. Funding is the ongoing challenge in providing services. In addition, as the HIV/AIDS community ages, it anticipated that there will be more people requiring services as ancillary medical conditions arise. Finally, high housing costs in San Diego County continue to impact the ability of HOPWA providers to move program participants from HOPWA-funded housing into the private rental market. It is very difficult for clients to obtain a security deposit, provide the first month’s rent, and qualify for a market-rate unit without some form of rental subsidy. Many clients reported that they were homeless or virtually homeless for lack of affordable housing.

Historically, the HOPWA program has received entitlement funds in an amount generally in line with the budget of activities proposed. Program staff has worked diligently with community-based organizations, government agencies, and developers to establish adequate housing and support services for people living with HIV/AIDS. In a collaborative effort, HOPWA staff continues to participate and maintain a permanent seat in the San Diego HIV Health Services Planning Council. HOPWA staff facilitates in establishing a subcommittee as needed of the Joint City/County HIV Housing Committee to help determine funding priorities for upcoming years.

Accomplishment Data

Refer to Appendices E and G for descriptions and accomplishments of all projects and programs funded with HOPWA moneys that were active during FY 2014.

Include any CAPER information that was not covered by narratives in any other section

Program Year 5 CAPER “Other Narrative” Response:

Commission on Gang Prevention and Intervention

Since 2006, the City of San Diego’s Commission on Gang Prevention and Intervention has supported community initiatives, researched best practices and resources, and made recommendations to the Mayor and City Council on reducing the impact of gang violence in our neighborhoods. Even with the aggregated decrease of gang related homicides over the years, the City of San Diego has taken a strong position that even one homicide is unacceptable in our community. The City of San Diego has 4,100 documented gang members, including 100 juveniles.

Currently the number of gang sets identified in San Diego stands at 91.

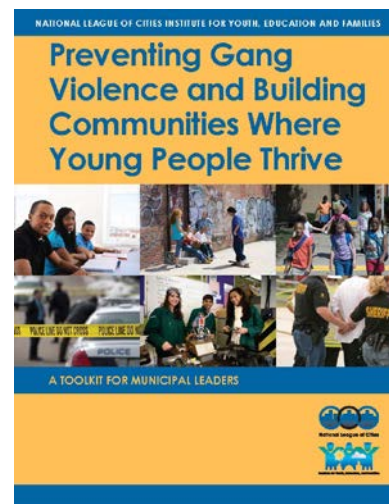


Image 18: The City’s effort in gang prevention was highlighted by the National League of Cities Institute for Youth, Education , and Families.

The Commission's efforts have been noted in the *UNITY –Urban Agenda for Preventing Violence Before it Occurs: Bringing a Multi-Sector Prevention Approach To Scale In U.S. Cities (2010, Prevention Institute Publication, page 7)* and the National League of Cities Institute for Youth Education and Families publication, *Preventing Gang Violence and Building Communities Where Young People Thrive (page 8)*.

The main focus of the Commission during FY 2014 was completing the 2015-2017 Strategic Action Plan. The Commission's Ad Hoc Committee involved members researched the issues that were most important and impactful in gang violence. The Ad Hoc Committee decided that Trauma informed care, restorative justice practices and culturally appropriate services had to be the foundation for education and services implemented by this Strategic Action Plan/Initiative.

Without nurturing families with trauma informed supports, families struggle to keep youth involved and healthy. Without trauma informed strategies by schools and law enforcement, communities are impaired at nurturing families and creating a thriving youth community. And without culturally competent services, access to care remains a barrier, interventions are ineffective and healing and recovery cannot occur. The decision of the Commission was to focus on the following three areas with specific actions to be implemented:

- 1. Prevention:** Research demonstrates that the pathway for this involvement at early teen years can be interrupted. In a recent research article it was stated: Adolescents born to nurse-visited who were unmarried and from low socioeconomic status families had fewer episodes of running away from home, arrests, and convictions and violations of probation than did their counterparts in the comparison group.

Actions: The Commission will work to train appropriate city staff on trauma informed principles and anti bullying strategies and bring together the County Nurse Family Partnership to work with a community initiative called San Diego Compassion Project (a group of pastors and community residents who respond to families impacted by gang violence)

- 2. Intervention:** Historically and statistically, a high rate of unemployment among youth puts their community at risk for violence and other negative behaviors. In the Commission's survey, the lack of jobs was one of the top five reasons repeatedly cited as leading to gang involvement. At the joint meeting of the Commission and the Public Safety and Livable Neighborhood City Council Committee, public comment focused on this as an important way to impact gang joining and gang violence.

Actions: Work with the City's HUD Administration Office to explore possible availability of funds for creative resolution to the problem along with CIP funds from the City Council. Youth Development efforts to support include: Youth Development Office's ASPEN Grant, the City's Youth Volunteer Program, San Diego Police Department, STAR/PAL program, the Parks and Recreation Department, Probation, the San Diego Youth Development Office (housed at the Workforce Partnership), community organizations and all the many county-funded programs. Recently, the County District Attorney's office embarked on a three-school Youth Advisory

Board mentoring project involving AmeriCorps volunteers. There will be Youth Advisory Boards at Mira Mesa High School, Lincoln High School and Scripps Ranch High School to serve youth in these schools. These projects have moved youth to college, kept them in school and are important ways to interact with youth in our community.

3. Suppression: The Commission used framework developed by the Office of Juvenile Justice and Delinquency Prevention (OJJDP). This visual framework draws on a plethora of research on risk, resiliency, prevention, intervention and juvenile crime analysis and classifies certain youth (inclusive of gang members) into four groups of youth as described below. The Commission recommended to continue to target youth with the four basic strategies for combating gangs:

- *Targeted Suppression:* Members of Group 1 (serious and chronic offenders) are candidates for targeted enforcement and prosecution because of their high level of involvement in crime and violent gangs and the small probability that other strategies will reduce their criminal behavior. While they may represent as few as four to eight percent of offenders, these individuals may account for the majority of all adolescent crimes in some communities (Loeber and Farrington, 1998). It is important to note that OJJDP suggests that communities use the strategy now called Group Violence Intervention towards Group 1. Many of the techniques recommended as part of this strategy are already implemented by the City for those youth heavily involved in gang crimes and those young men who have not left the gang lifestyle.
- *Gang Intervention:* Members of Group 2 (gang involved youth) are candidates for intensive treatment services and supervision.
- *Secondary Intervention:* Members of Group 3 (high-risk youth) are candidates for secondary prevention services, which are less intensive than those provided to group 2 but more intensive than those provided to youth in the community at large.
- *Primary Intervention:* Members of Group 4 (all youth) receive primary prevention services.

The San Diego Police Department's Street Gang Unit currently uses most of these strategies to fight gang violence, and has for many years. These strategies have already produced historic lows in San Diego's gang-related crime rate.

Ongoing Community-Wide Collaboration: While the Commission is not a service provider, families have been supported as a result of its facilitation of resources and collaborative (e.g., via Crime Free Multi-Housing, CAST, and the San Diego Compassion Project), youth have been diverted from the criminal justice system (e.g., via Collaborative Curfew Sweeps), and youth have been trained for jobs (e.g., via Black Contractor's Association and the Labor Council's Youth Build [a Department of Labor youth training program] and the San Diego Workforce Partnership's Connect2Careers Program).

The partnerships among the members of the Commission (i.e., the City of San Diego Police Department, San Diego Unified School District, San Diego County Probation Department, San Diego County District Attorney's Office, San Diego Workforce Partnership, along with community organization members, such as Harmonium, Metro United, Reality Changers, Unity Tech, California Endowment, and Second Chance) and agencies/departments, such as the San Diego City Attorney's

Office, City of San Diego Park & Recreation Department, San Diego County Health and Human Services Agency, San Diego County Mental Health Services, and the numerous community-based organizations, allow the City to effectuate positive changes in the City's communities.

City of San Diego Office of ADA Compliance and Accessibility

The mission of the [Office of ADA Compliance and Accessibility](#) (also a department under the City's administrative organization system) is to ensure that every City-operated or funded facility, program, service, and activity is accessible and usable by people with disabilities in accordance with all federal, state, and local codes and laws, including the Americans with Disabilities Act (ADA). As required by law, the City has an appointed ADA Coordinator –this individual also serves as executive director of the department.



The Office of ADA Compliance and Accessibility provides oversight on various City projects to ensure all City facilities and public right-of-ways are accessible to all users. Department staff offers ongoing technical assistance on ADA requirements and disability issues through trainings, onsite surveys, and policy recommendations, as well as guidance regarding alternate formats and effective communication efforts.

The department staffs the Mayor's Committee on Disability (MCD), which held eight monthly meetings in FY 2014. MCD provides a forum for the public and City staff and management to discuss ADA issues, vet policies, and disseminate and receive progress reports on the City's continuing ADA efforts. MCD provides support and recommendations to City departments and other agencies. They also advocated for ADA inclusion and advised project managers on the following projects:

- Balboa Park Tram System
- 2015 Centennial Celebration
- North Harbor Drive Improvement Project Update
- Polara Audible Signal
- Planet Bids – Opportunity to bid on City's Contract
- Wheelchair Accessibility Assessment
- Emergency Preparedness Efforts of Office of Homeland Security
- Employment Opportunities for the Disabled
- SANDAG/MTS Mid-Coast Corridor Trolley Project
- Museum of Man California Tower Project

The Office of ADA Compliance and Accessibility continues to manage all disability-related complaints for the City. Complaints arrive via e-mail, telephone calls and the U.S. Postal Service, and primarily discuss issues relating to audible pedestrian signals, path of travel/public right-of-ways, traffic control devices, curb ramps, and sidewalks (the largest volume of complaints fall within the last two categories). Once a complaint is received, the ADACA sends the information to the responsible department to investigate. A staff person is assigned within seven days, and within 30 days a plan of action is communicated back to the office of ADACA and the complainant. If funding is required, the

complaint is placed on an unfunded needs list until funding became available. In FY 2014, the City received 135 ADA complaints and resolved 106 –the latter number including 66 complaints from prior years.

The following list summarizes the accomplishments of the Office of ADA Compliance and Accessibility during FY 2014:

- 20 of 101 active ADA capital improvement projects were completed (11 percent);
- 182 construction documents were reviewed;
- 133 onsite inspections were done;
- 131 facilities and intersections were surveyed;
- 5 ADA presentations/trainings were conducted;
- 162 technical assistance efforts were rendered; and,
- 906 requests for information and research were completed.

Capital Improvement Projects

In 1997, the City adopted a Transition Plan that guides its efforts in identifying, prioritizing, and removing physical barriers to accessibility related to its services, programs, and activities. A total of 212 facilities were identified in the Transition Plan. As of the end of FY 2014, a total of 172 facilities (81%) have undergone the removal of barriers.

In FY 2014, the City committed \$889,000 from the General Fund and \$2.5 million in Development Impact Fees to ADA projects. These funds were allocated to ten capital improvement facilities and multiple public rights-of-way projects in various City communities.

In FY 2014, 20 ADA capital improvement projects were completed. These projects were funded from a variety of sources, including land sales, development impact fees, and Community Development Block Grant money. At the end of the FY 2014, 81 ADA capital improvement projects were at various stages of progress, such as design, bid, and construction. The public may now monitor ongoing ADA capital improvement projects through the website of the City's Capital Improvements Program at <http://www.sandiego.gov/cip/projectinfo/index.shtml>.

The Office of ADA Compliance and Accessibility will continue to leverage its resources to provide equal access to all City facilities and programs. ADA laws and civil rights, by their very nature, focus on the needs and rights of individuals; they are built on the belief that all individuals, regardless of their circumstances, are entitled to equal treatment in American society. The Office of ADA Compliance and Accessibility supports this vision.

Section 504 of the Rehabilitation Act of 1973 prohibits discrimination on the basis of disability in programs and activities conducted by HUD or that receive financial assistance from HUD. In addition to its responsibility for enforcing other Federal statutes prohibiting discrimination in housing, HUD has a statutory responsibility under Section 504 to ensure that individuals are not subjected to discrimination on the basis of disability by any program or activity receiving HUD

assistance. Section 504 charges HUD with enforcing the right of individuals to live in federally subsidized housing free from discrimination on the basis of disability.

Any person with a disability who feels he or she is a victim of discrimination in a City of San Diego HUD-funded program or activity may file a complaint with his or her local Section 504 Administrator. For more information or to file a complaint, contact:

- Office of ADA Compliance and Accessibility
1200 Third Avenue, 9th Floor
Suite 924, MS 56G
San Diego, CA 92101
(619) 236-5979 | Telephone

Section 504

[Section 504 of the Rehabilitation Act of 1973](#) prohibits discrimination on the basis of disability in programs and activities conducted by HUD or that receive financial assistance from HUD. In addition to its responsibility for enforcing other federal statutes prohibiting discrimination in housing, HUD has a statutory responsibility under Section 504 to ensure that individuals are not subjected to discrimination on the basis of disability by any program or activity receiving HUD assistance. Section 504 charges HUD with enforcing the right of individuals to live in federally subsidized housing free from discrimination on the basis of disability.

Any person with a disability who feels he or she is a victim of discrimination in a HUD-funded program or activity may file a complaint with his or her local Section 504 Administrator. The director of the City's Office of ADA Compliance & Accessibility serves as its Section 504 Administrator.

Those in the City may contact the Office of ADA Compliance & Accessibility using the information below to learn more about Section 504 or to file a complaint:

- 1200 Third Avenue, 9th Floor
Suite 924, MS 56G
San Diego, CA 92101
(619) 236-5979 | Telephone
(800) 462-0503 | Fair Housing Hotline
711 | Telecommunications Relay Service
adacompliance@sandiego.gov

Additional information about Section 504 can also be found on [HUD's website](#).