



**Draft Annual Action Plan
City Fiscal Year 2026, HUD Program Year 2025
For CDBG, HOME, ESG Programs**

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AP-05 EXECUTIVE SUMMARY – 91.220(C), 91.220 (B)

The Fiscal Year 2026 Annual Action Plan (Action Plan) represents the second year of the City of San Diego Consolidated Plan for the Fiscal Years 2025-2029 (Consolidated Plan) as ratified by the City Council and approved by the U.S. Department of Housing and Urban Development (HUD). The Action Plan is the City's application for (HUD) entitlement grants which identifies the proposed programs and projects to be funded during the City's Fiscal Year (FY) 2026 which begins July 1, 2025. There are three* primary HUD entitlement grants that are covered in the Action Plan:

Community Development Block Grant (CDBG): The primary objective of the CDBG program is the development of viable urban communities by providing improved living environments, expanding economic opportunity, and providing suitable housing. Funds are intended to serve low- and moderate-income residents and areas.

HOME Investment Partnerships Program (HOME): The HOME program is intended to increase the availability, quality, and access to affordable and decent housing for low-income households.

Emergency Solutions Grant (ESG): The purpose of the ESG program is to aid individuals and families in regaining both temporary and permanent housing after they experience a housing crisis or homelessness.

*Please note, the County of San Diego is the City's designated Alternative Grantee for the Housing Opportunities for Persons with AIDS (HOPWA) program, therefore removing the City's responsibility for tracking allocations and outcome numbers for the HOPWA grant. Please visit the County of San Diego's Annual Action Plan for information about the HOPWA allocations, goals, and outcomes.

The San Diego Housing Commission (Housing Commission) administers the HOME program and a portion of the ESG programs on behalf of the City. The Action Plan has been prepared by the City's Economic Development Department in partnership with Housing Commission.

The Annual Action Plan identifies how the City, working in partnership with the Housing Commission, proposes to utilize these funds in the upcoming fiscal year to address its community development, housing, and public services goals and priorities described in the Consolidated Plan. The Annual Action Plan also outlines other projects and programs that leverage CDBG, HOME, and ESG program funds to further support the City's efforts to address its goals and priorities as identified in the Consolidated Plan.

The Annual Action Plan also includes activities to remediate impediments to Fair Housing as identified in the most recent San Diego Regional Analysis of Impediments to Fair Housing Choice (FY 2021 – FY 2025). The Fair Housing Center at the Legal Aid Society of San Diego, Inc. was selected using a competitive Request for Proposal (RFP) process as the service provider to provide Fair Housing outreach and education, investigate cases and assist with enforcement. The City continues to sponsor free, public educational workshops and produce multilingual informational resources for the public.

Goals and outcomes. The five-year goals established to address housing and community development needs in San Diego include:

Goal 1: Increase, protect and preserve affordable rental and homeownership housing opportunities by improving access to a diverse set of affordable housing, accessible in design and energy efficient, with proximity to job centers, schools, parks, and services.

Goal 2: Invest in inclusive economic growth initiatives that develop and strengthen small businesses, support local entrepreneurs, expand employment and/or workforce development programs, and improve access to job opportunities.

Goal 3: Develop vibrant and equitable neighborhoods by investing in public facilities, critical infrastructure, and/or nonprofit facilities that provide increased accessibility, resiliency, and sustainability.

Goal 4: Improve housing stability for individuals and households with critical needs, including persons experiencing or at-risk of homelessness by providing appropriate housing and service solutions grounded in best practices.

Goal 5: Improve community services by addressing critical needs and promoting equity through improved or increased access to community programming.

In developing the goals and outcomes of the Consolidated Plan, the City completed a “goals crosswalk” exercise to identify how goals in other, relevant City plans relate to the goals and needs in the Consolidated Plan. City departments discussed the shared goals and aligned actions at a goal-setting workshop. This exercise ensured that the Consolidated Plan goals align with and complement the City’s overall Strategic Plan and department-level goals.

AP-10 CONSULTATION - 91.100, 91.200(B), 91.215(L)

Introduction

In developing the Fiscal Year 2025-2029 Consolidated Plan, the City conducted an extensive citizen and community participation effort by engaging citizens and key partners. The City received input from elected officials, residents, City departments, nonprofit agencies, and community stakeholders. The City hosted a public meeting to kick off the community engagement process attended by more than 80 stakeholders representing local organizations. The City also hosted eight public forums in October 2023 to gather input on housing, community development, public service, and economic development needs and outcomes. The forums were predominantly held in low- to moderate-income communities to maximize participation from city residents most likely to benefit from these federal programs. In addition to the community and stakeholder consultation meetings, over 700 participants responded to an online Community Needs Survey. Input received informed the development of the priorities and strategies contained within the five-year plan.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The City's outreach and consultation strategies included coordination with community outreach partnerships for public and assisted housing, social-service agencies, and mental health providers; workforce and business developers; community advocates; and others. Through these efforts, the City was able to solicit input from the community at large and to encourage further collaboration in determining present and future needs.

Results of the valuable input received from community forums, and surveys were published on [the City's CDBG webpage](#) and reported publicly to the Consolidated Plan Advisory Board (CPAB) and the San Diego City Council. Each segment of the community outreach and planning process was transparent to ensure the public knew their input was being collected, reviewed, and considered as part of the planning process.

The City collaborates with San Diego Housing Commission staff to implement policies, programs, and projects identified in the Consolidated Plan. Regularly scheduled quarterly meetings serve as the platform for discussing homeless priorities and strategies contained in the Annual Action Plan. The discussions further inform locally driven approaches for delivering services and housing options to homeless individuals and families within San Diego to ensure meaningful outcomes.

County of San Diego Housing and Community Development Services program staff convene the Joint City-County HIV Housing Committee to address the special needs concerns for HIV/AIDS individuals. The Joint City-County HIV Housing committee includes members of other HIV planning groups, affordable housing developers, service providers and members of the public. 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 County of San Diego Housing and Community Development Services Director regarding the priorities and needs of the community affected by HIV/AIDS and housing.

The City's Community Development Division will continue collaborating with all partners, including the San Diego Housing Commission and the County of San Diego, to enhance inclusive economic development efforts and better meet the needs of low-to-moderate income residents.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Under HUD's authorization, the Regional Task Force on Homelessness (RTFH) serves as the infrastructure organization and lead agency for the Regional Continuum of Care (CoC). As the lead agency, RTFH annually submits a collaborative application for HUD funding for our region to support local efforts and programs designed to serve an array of homeless persons, with a focus that is rare, brief, and non-recurring. Programs serve the population's holistic needs by providing supportive services, housing solutions, and referrals to resources geared toward housing stability and self-reliance. Coordinating efforts to prioritize the most vulnerable for limited resources is critical to the homeless response system.

The RTFH's jurisdiction includes all geographies within the County of San Diego, including 18 incorporated areas and all unincorporated areas. The synergy and informed coordination occurring within this structure

benefit homeless persons and those at risk of homelessness by ensuring existing resources are leveraged to maximum potential, thus providing increased opportunities to serve greater numbers of people.

The RTFH is the regional planning body and the Homeless Management Information System (HMIS) data system administrator. Providing annual reports and data to drive decisions, prioritization and performance of the homeless crisis response system.

The RTFH Governance Advisory Committee (GAC) evaluates and recommends changes to improve the Continuum of Care structure and ensure it meets the mission. The committee assesses and recommends improvements to the Continuum of Care's structure to ensure it aligns with its mission. The Governance Advisory Committee is responsible for reviewing nominations for the CoC Board of Directors and making recommendations to the Board. Additionally, it conducts an annual review of the Charter, providing recommendations to both the CoC Board and General Membership, and evaluates Board policies, offering suggestions for enhancements. The City has been represented by the San Diego Housing Commission and actively participates in several CoC Advisory Board committees such as the Ad Hoc Committee to Address Homelessness Among Black San Diegans and the Aging, Health and Homelessness, and the Evaluation Committee. The City utilizes these partnerships to develop cooperative plans and strategies to effectively leverage resources for the provision of emergency shelters and rapid re-housing services.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The RTFH coordinates the prioritization and use of ESG funds to meet the local needs of San Diegans experiencing homelessness. Funds are allocated to the San Diego Housing Commission, on behalf of the City, in order to design programs consistent with federal and local requirements while efficiently distributing funds. Effective administration of the ESG funds is ensured via an ESG Policy and Operations Guide, CoC written standards and CoC policies such as the Rapid Rehousing policies, created by the RTFH, which serves as a practical guide to applying local standards and procedures for the utilization and distribution of ESG funds. Further, the guide includes federal, state, and local ESG policies and regulations to inform the administration of the funds.

The San Diego Housing Commission consults with the RTFH to establish standard outcomes for the homeless programs funded with ESG. The RTFH advises the San Diego Housing Commission on the expectations and responsibilities of administering the ESG funds. In turn, the San Diego Housing Commission translates the information into best practices, programmatic requirements, and goals as subrecipient contract elements.

Setting Performance Outcomes

The San Diego Housing Commission creates performance outcomes for subrecipient contracts according to evidence-based practices and RTFH community standards and considers regional factors that may impact performance. The San Diego Housing Commission outlines five outcomes that measure occupancy rates, exits to permanent housing placement, exits due to violations of terms of service (less than 15%), and average length of stay. Although outcomes inputs are important to determining compliance on a contractual level, the San Diego Housing Commission captures other critical data elements such as the

number of persons served, demographics, other exits, meaningful outcomes detailing the impact on the client's journey toward improved overarching self-sufficiency, such as increased in earnings through employment or public benefits, non-cash benefits and health insurance. The subrecipient reports data on a monthly basis with a narrative to capture both quantitative and qualitative data on housing stability and the self-motivated utilization of community resources to maintain stability, providing a meaningful context for quantifying the impact of the programs on an individual and aggregate level.

Operating and Adminstrating Homeless Management Information System (HMIS)

The Homeless Management Information System (HMIS) is a HUD-mandated secured relational database used to collect and manage data on individuals and families experiencing homelessness. HMIS helps communities understand the scope of homelessness, improve service delivery and outcome, secure and maintain funding through accurate reporting and evaluate program effectiveness. RTFH produces multiple data reports from HMIS to assist with targeting services and housing solutions that are appropriate to the client's and the community's needs. These reports include an annual point-in-time count (PITC), housing inventory chart (HIC), annual Longitudinal System Analysis (LSA), individual program's annual performance reports (APR) and the HUD system performance measures. HMIS data dashboards are available on the RTFH website, and additional custom reporting can be supplied as needed. Government agencies and service providers utilize this data to inform advocacy efforts, develop innovative and strategic approaches, standardize reporting practices, and analyze the overall impact of programs on reducing homelessness in the City.

AP-12 PARTICIPATION -- 91.105, 91.200(C)

City staff continues to work with the Consolidated Plan Advisory Board (CPAB) to increase citizen participation and improve the FY 2026 CDBG grant funding application and evaluation process. Established in 2010, the CPAB serves in an advisory capacity to the Mayor and City Council on policy issues related to the Consolidated Plan, Annual Action Plans, the year-end Consolidated Annual Performance and Evaluation Reports (CAPER) reporting, Analysis of Impediments to Fair Housing, and the allocation of CDBG, HOME, and ESG funds.

All the CPAB meetings are open to the public, and agendas are distributed via e-mail, internet posting, and hard copy posting. Meeting notes summarizing the discussion items and actions taken are posted online and made available at subsequent meetings to keep interested parties informed. The CPAB meetings provide a regular forum for citizens to participate in matters related to the City of San Diego's HUD Programs and an opportunity for staff to review policy issues and obtain public feedback. During the COVID-19 pandemic, the CPAB met virtually using the Zoom software platform and live-streamed the meetings on YouTube. Members of the public were invited to join the Zoom webinars as participants to give live public comments. Public comments were also shared during the CPAB meeting, provided the comment was received by 4 p.m, the day prior to the meeting. As of March 2023, CPAB meetings returned to in-person.

In addition to the CPAB process, City staff and partner agencies, such as the Housing Commission, regularly receive feedback from the public and other community stakeholders regarding implementing its HUD-funded programs. Feedback occurs through presentations and attendance at various public meetings, including the Regional Continuum of Care Council, the City Council's Economic Development and

Intergovernmental Relations Committee (EDIR), the City's Park and Recreation Board, and the Board of the San Diego Housing Commission. The City also distributes a survey to applicants, CPAB members and City staff to evaluate the application process and solicit suggestions for improving future application cycles.

The processes involved in allocating each entitlement grant are based on the goals and strategies outlined in the City's FY 2025-2029 Consolidated Plan.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community	10-20 members of the public attend	The public comments on policies and procedures are summarized in meetings notes, available on the City's website.	N/A	www.sandiego.gov/cdbg/cpab
2	CDBG Interest/RFQ Workshop	Non-targeted/broad community	80-100 members of the public attend	The workshop provides information to potential applicants on the City's CDBG program.	N/A	N/A
3	Internet Outreach	Non-targeted/broad community	Approximately 1300 recipients	The CDD sends out regular electronic emails advising subscribers of any actions related to the Consolidated Plan, its implementation, and pertinent public hearings.	N/A	CDBG@sandiego.gov
4	Public Hearing	Non-targeted/broad community	City Council and Committee hearings give the public an opportunity to comment on all issues related to the City.	Vary	N/A	www.sandiego.gov

Expected Resources

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

Introduction <<DRAFT Annual Action Plan>>

The City of San Diego anticipates an additional \$1 million in FY 2026 CDBG Program Income. This additional amount results from an agreement negotiated between the former Redevelopment Agency and HUD to repay the City's CDBG Program over several years. This program income amount may be adjusted prior in the final draft of the Annual Action Plan prior to its submission to HUD.

As of the release of this DRAFT Annual Action Plan for public comment, HUD has not published its Program Year 2025 (City Fiscal Year 2026) entitlement program grant amounts. Therefore, the FY 2026 expected resources are estimates based on the FY 2025 amounts and will be adjusted upon the release of the actual entitlement amounts from HUD before submitting the final version to HUD. The projects listed in the Annual Action Plan can be fully funded under the assumption the City will receive an entitlement grant amount, at least equal to its FY 2025 entitlement grant amount, less an estimated reduction and Program Income as anticipated.

Should the allocation and/or Program Income received by the City be reduced, the City will reduce proportionately, the allocations recommended in Attachments 1-5 to the extent funds are available.

Should the allocation and/or Program Income received by the City be larger than estimated, the City will fund additional Public Services projects as listed in the ranking in Attachment 1 up to the regulatory cap, additional Administration costs up to the regulatory cap, Homelessness Services projects as listed in Attachment 4 up to the Council Policy proportionate share, and place additional funds in the Unobligated CDBG fund for future reprogramming to community and economic development activities and to allow contingency increases of program budgets for previously approved CIPs or nonprofit facility improvement projects up to 20% of the originally approved allocation in order to ensure timely completion of projects,

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of ConPlan \$
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	
CDBG	Public Federal	Supportive services Homebuyer assistance Homeowner rehabilitation Multifamily rental rehabilitation Homeless support Public Services Nonprofit facilities Public improvements Public facilities Public infrastructure	\$10,911,323	\$1,000,000	\$0	\$11,911,323	\$62,716,117
HOME	Public Federal	Acquisition Homebuyer Assistance Multifamily rental new construction Multifamily rental rehab	\$5,752,730	\$1,652,978	\$24,332,645	\$31,738,353	\$10,567,477
ESG	Public-Federal	Financial Assistance Overnight Shelter Rapid Rehousing (rental assistance) Rental Assistance Services Transitional Housing	\$1,002,318	\$0	\$0	\$1,002,318	\$2,593,424

Table 1 - Expected Resources – Priority Table

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

Leverage, in the context of the City's HUD entitlement programs, means bringing other local, state, and federal financial resources to maximize the reach and impact of these programs. Like many other federal agencies, HUD encourages the recipients of federal monies to demonstrate that

efforts are being made to leverage additional funds to achieve more significant results strategically. Leverage is also a way to increase project efficiencies and benefit from economies of scale that often come with combining funding sources for similar or expanded scopes. Funds will be considered leveraged if financial commitments toward the costs of a project from a source other than the originating federal source are documented. The City, through its Consolidated Plan Advisory Board, has incentivized the use of leveraged funds in specific Requests for Proposals by offering additional evaluation points based upon the percentage of the project budget reimbursed with non-entitlement federal sources. City staff will continue to explore additional leveraging opportunities, other federal resources, and local private investments.

SDHC uses CDBG funding set aside in Council Policy 700-02 and Housing Commission Housing Trust Funds. The Rapid Rehousing 100% match comes from Continuum of Care funding and in-kind match from subrecipients (case management and services). Also, the City commits general fund dollars to provide homeless services to leverage better the federal funds received.

Homeless Continuum of Care (CoC) Program of the Emergency Assistance and Rapid Transition to Housing Act (HEARTH)

In FY 2023, HUD awarded San Diego CoC \$37,066,178 in CoC funds to homeless programs in San Diego, including permanent supportive housing and rapid rehousing services. Housing Choice Voucher Section 8 funds: SDHC administers the Section 8 program within the City of San Diego and will provide subsidies to approximately 17,000 San Diego households. In fiscal year 2024, SDHC assisted 19,026 low-income households through rental assistance programs. This figure includes turnover vouchers and households whose participation in the program concluded.

Fiscal Year 2025 (as of March 18, 2024):

HUD VASH: In Fiscal Year 2025, SDHC continues to work to house homeless veterans in the City of San Diego through the U.S. Department of Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH) Program. In the FY 24 NOFA, SDHC, increased the VASH PBV allocation by 80. In December 2024, SDHC was awarded an additional allocation of 75 VASH tenant-based vouchers. The agency has a VASH allocation of 1,460, which includes 1,275 tenant-based and 185 Project-Based.

Low-Income Housing Tax Credits (LIHTC): The federal 4% and 9% LIHTC is the principal funding source for the construction and rehabilitation of affordable rental homes. They are a dollar-for-dollar credit against federal tax liability. In FY 2024, SDHC projects 767 units utilizing these federal sources will be constructed.

HOME-25% MATCH REQUIREMENT

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

ESG-100% MATCH REQUIREMENT

For the City-funded interim shelters, SDHC uses the CDBG set-aside funding per Council Policy 700-02 and the Affordable Housing Fund authorized by San Diego Municipal Code §98.0502. The Rapid Rehousing 100% match comes from VASH vouchers, subrecipient monetary leverage and in-kind match from subrecipients in the form of case management and supportive services. The match for prevention activities will be met with City general fund and other sources, as needed.

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

City Neighborhood Infrastructure Projects and Capital Improvement Projects (like parks, libraries and recreation centers) will be carried out within City-owned real property and/or public right of way. Additionally, City-owned land may be utilized for emergency shelter programs. Refer to section AP-35 (Projects) for further information.

Discussion

In 2010, the City and the former Redevelopment Agency of the City (RDA) entered into a CDBG Repayment Agreement to address findings from the HUD Office of the Inspector General (OIG) about the City's CDBG Program. With the dissolution of redevelopment in California in 2012, the State of California Department of Finance (DOF) suspended approval of the payments to the City under the CDBG Repayment Agreement. Senate Bill 107, enacted in September 2015, permitted the Successor Agency to the former RDA to resume including repayments under the CDBG Repayment Agreement on its annual Recognized Obligation Payment Schedule (ROPS). In addition to reinstating the CDBG Repayment Agreement payments, Senate Bill 107 resulted in the DOF authorizing the repayment of an additional \$151 million in CDBG Program Income from the Successor Agency under a separate Long-Term Miscellaneous CDBG Debt Agreement between the City and former RDA.

The final payment under the Repayment Agreement to address findings from the OIG was made in FY 2020. The Successor Agency Long-Term Miscellaneous CDBG Debt repayments continue and are subject to approval by the DOF as part of each annual Successor Agency ROPS process. The funds repaid are CDBG Program Income. After the FY 2026 payment is received, there is a remaining balance of \$31,993,522 in the Long-Term Miscellaneous Debt Agreement.

Annual Goals and Objectives

AP-20 ANNUAL GOALS AND OBJECTIVES

Goals Summary Information

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Sort Order	Goal Name	Fiscal Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2026	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	Citywide	Affordable Housing Affordable Housing and Public Services	HOME: \$31,238,353 CDBG: \$4,741,893	Financial assistance to homebuyers/homeowners: 10 Households (HOME) Construction of new rental units: # of units = 32 HOME-Assisted Units, 229 total Affordable Units Acquisition and rehabilitation # of rental units (Homekey+ match) = <<TBD for Final AAP>> Affordable Units Homeowner Housing Rehabbed: # of homes = 0
2	Economic Development	2026	Non-Housing Community Development Economic Development	Citywide	Economic Development Workforce Development	CDBG: \$2,071,520	Businesses Assisted: 399 Persons Assisted: 708
3	Infrastructure Improvements	2026	Non-Homeless Special Needs City Infrastructure	Citywide	Public Improvements and Infrastructure Nonprofit Facility Improvements	CDBG: \$928,947	Facilities Improved: 4 Persons Assisted: 5,718
4	Homelessness	2026	Homeless	Citywide	Homelessness and Supportive Services Public Services	CDBG: \$446,675 ESG: \$1,002,318	Homeless Person Overnight Shelter: Persons Assisted CDBG: 250, ESG: 175; Total: 425. Tenant-based rental assistance/Rapid rehousing: Households Assisted: ESG: 6. The rapid rehousing program is

							<p>sunsetting and will close out in FY26 once all program participants have reached the maximum of 24 months for receiving rental assistance. Beginning in FY26, a prevention program will be implemented as rapid rehousing phases out.</p> <p>Public service activities other than LMI Housing Benefit: Persons Assisted, CDBG: 10,000 Facilities (other): CDBG: 1.</p>
5	Community Services	2026	Non-Homeless Special Needs Non-Housing Community Development	Citywide	Public Services	CDBG: \$1,340,024	Persons assisted: 5,568

Table 2 – Goals Summary

Estimate the number of extremely low-income, low-income and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

All assistance will be provided to low-income households. (42 for Year 2 (2026) with HOME dollars households in total-breakdown pending).

Goal Descriptions

In developing the goals and outcomes of the Consolidated Plan, the City completed a “goals crosswalk” exercise to identify how goals in other, relevant City plans relate to the goals and needs in the Consolidated Plan. City departments discussed the shared goals and aligned actions at a goal setting workshop. This exercise ensured that the Consolidated Plan goals are in alignment with and complement the City’s overall Strategic Plan as well as department level goals.

The five-year goals established to address housing and community development needs in San Diego include:

Goal 1: Increase, protect and preserve affordable rental and homeownership housing opportunities by improving access to a diverse set of affordable housing, accessible in design and energy efficient, with proximity to job centers, schools, parks, and services.

Goal 2: Invest in inclusive economic growth initiatives that develop and strengthen small businesses, support local entrepreneurs, expand employment and/or workforce development programs, and improve access to job opportunities.

Goal 3: Develop vibrant and equitable neighborhoods by investing in public facilities, critical infrastructure, and/or nonprofit facilities that provide increased accessibility, resiliency, and sustainability.

Goal 4: Improve housing stability for individuals and households with critical needs, including persons experiencing or at-risk of homelessness by providing appropriate housing and service solutions grounded in best practices.

Goal 5: Improve community services by addressing critical needs and promoting equity through improved or increased access to community programming.

Projects

AP-35 PROJECTS – 91.220(D)

Introduction

Based on the Consolidated Plan goals described above, the table below describes the projects that will be funded in FY 2026.

Projects

#	Project Name
1	CDBG Administration
2	Affordable Housing
3	Economic Development
4	Infrastructure Improvements
5	Homelessness
6	Community Services
7	SDHC-HOME-Homeownership
8	SDHC-HOME-Rental Housing
9	HOME Administration
10	SDHC-ESG ALL

Table 3 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

CDBG: Declared disaster or emergency events may require additional funding that can be used for immediate solutions. For example, homeowners and renters whose housing stability has been disrupted by disasters may encounter obstacles to housing stability in insurance payment delays or in being under-insured and/or in obtaining financing for needed improvements. Businesses impacted by emergencies may suffer lost income, lost equipment, or the ability to pay employee wages. When necessitated, the City intends to make CDBG available to address emergency needs that do not overlap with other federal funding sources (e.g., FEMA).

The City may determine to divert and utilize CDBG for disaster response and recovery should funds be available through reprogramming or unobligated (and not yet awarded to a subrecipient). The City may request waivers to certain CDBG regulations if they are made available. If not, the City must evaluate all available resources before utilizing CDBG. Short-term disaster response activities may include but are not limited to site clearance, security of property, neighborhood clean-ups, and emergency rental or utility payments. More long-term disaster recovery activities for residents and businesses that may not have the resources to fully recover without assistance may include housing or rental rehabilitation/reconstruction, home buyer assistance, acquisition, parks and neighborhood facilities, and small business grants and loans. A process for the reallocation decision(s) to utilize CDBG for a disaster is identified in the City's HUD-approved Citizen Participation Plan (CPP). Additionally, in the case that the City must divert CDBG funds for a Disaster during this 2025 – 2029 Consolidated Plan period, the City will utilize a 3-year calculation to ensure 70% of CDBG funds allocated benefit low and moderate-income persons.

HOME: HOME funds are dedicated to housing activities that meet local housing needs and typically preserve or create affordable housing. Uses include tenant-based rental assistance, rehabilitation, homebuyer assistance and new construction. It is anticipated that funding will be allocated solely to the creation or preservation of affordable housing along with funding for homebuyer assistance.

ESG: The ESG program provides funding to (1) provide essential services in emergency shelters for homeless individuals and families, (2) to rapidly rehouse homeless individuals and families and (3) to provide homelessness prevention services.

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AP-38 PROJECT SUMMARY

Project Summary Information

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1	Project Name	CDBG Administration
	Target Area	Citywide
	Goals Supported	<p>Creating and preserving affordable housing</p> <p>Homelessness Services/facilities serving vulnerable population</p> <p>Public infrastructure needs</p> <p>Job readiness and economic development</p>
	Needs Addressed	<p>Affordable Housing and Public Services</p> <p>Affordable Housing</p> <p>Homelessness and Public Services</p> <p>Public Services and Public Facilities</p> <p>Public Improvements and Infrastructure</p> <p>Public Services and Economic Development</p>
	Funding	CDBG: \$2,382,265
	Description	City of San Diego administrative costs directly related to administering the CDBG Program to ensure compliance with all HUD planning and community development activities provided to City residents and businesses, as well as fair housing services. The Nonprofit Accelerator and Fair Housing Education and Legal Aid programs are also funded through administration.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	n/a
	Location Description	n/a
2	Planned Activities	Includes: \$2,382,265 in administration.
	Project Name	Affordable Housing
	Target Area	Citywide

	Goals Supported	Affordable Housing
	Needs Addressed	Development of Affordable Housing Affordable Housing Access and Stability
	Funding	CDBG: \$4,741,893
	Description	To help support the development of permanent supportive housing for veterans and individuals at risk of or experiencing homelessness and with mental health or substance use challenges.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	TBD
	Location Description	Citywide
	Planned Activities	Homekey+
3	Project Name	Economic Development
	Target Area	Citywide
	Goals Supported	Economic Development
	Needs Addressed	Economic Development
	Funding	CDBG: \$2,071,520
	Description	Invest in inclusive economic growth initiatives that develop and strengthen small businesses, support local entrepreneurs, expand employment and/or workforce development programs, and improve access to job opportunities
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	708 individuals assisted, 399 businesses assisted

	Location Description	Citywide
	Planned Activities	<p>Accessity: \$222,300</p> <p>City Heights Community Development Corporation: \$215,000</p> <p>International Rescue Committee: \$244,130</p> <p>Mission Edge: \$224,556</p> <p>Partnership for Environmental Progress: \$105,549</p> <p>ACCESS: \$197, 838</p> <p>Karen Organization of San Diego: \$97,739</p> <p>Logan Heights Community Development Corporation: \$114, 510</p> <p>Southwestern Community College: \$377,193.52</p> <p>Somali Family Service of San Diego: \$272,704</p>
4	Project Name	Infrastructure Improvements
	Target Area	Citywide
	Goals Supported	Public facilities and Infrastructure, Nonprofit Facility Improvements
	Needs Addressed	Public Improvements and Infrastructure, Nonprofit Facility Improvements
	Funding	CDBG: \$928,947
	Description	Develop vibrant and equitable neighborhoods by investing in public facilities, critical infrastructure, and/or nonprofit facilities that provide increased accessibility, resiliency, and sustainability.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	<p>5,718 persons assisted</p> <p>4 facility improvements (other)</p>
	Location Description	n/a
	Planned Activities	S.V.D.P Management Inc. (dba Father Joe's Villages): \$205,090

		San Diego LGBT Community Center: \$202,912 Serving Seniors: \$304,145 Urban Corps of San Diego County \$216,800
5	Project Name	Assisting Persons Experiencing Homelessness
	Target Area	Citywide
	Goals Supported	Homelessness
	Needs Addressed	Homelessness and Supportive Services
	Funding	\$552,187 CDBG
	Description	Improve housing stability for individuals and households with critical needs, including persons experiencing or at-risk of homelessness by providing appropriate housing and service solutions grounded in best practices.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	250 people assisted
	Location Description	n/a
	Planned Activities	City of San Diego Family Shelter Program: \$446,675 Serving Seniors: \$105,512
6	Project Name	Community Services
	Target Area	Citywide
	Goals Supported	Public and Community Services
	Needs Addressed	Public Services
	Funding	CDBG: \$1,229,718

	Description	Improve community services by addressing critical needs and promoting equity through improved or increased access to community programming.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	1,476 individuals
	Location Description	n/a
	Planned Activities	Reality Changers: \$180,000 Voices for Children: \$102,310 Kitchens for Good: \$250,000 Rise Up Industries: \$299,001 Travelers Aid of San Diego: \$116,500 Monarch School: \$120,000 International Rescue Committee: \$91,907 Mama's Kitchen: \$70,000
	Location Description	n/a
7	Project Name	SDHC-HOME-HOMEOWNERSHIP
	Target Area	Citywide
	Goals Supported	Affordable Housing
	Needs Addressed	Development of Affordable Housing Affordable Housing Access and Stability
	Funding	HOME: \$1,500,000
	Description	Provision of financial assistance towards homeownership in the form of assistance towards down payment and closing costs.
	Target Date	6/30/2026
	Estimate the number and type of families	Up to 10 households

	that will benefit from the proposed activities	
	Location Description	n/a
	Planned Activities	Direct financial assistance to homebuyers
8	Project Name	SDHC-HOME-RENTAL HOUSING
	Target Area	Citywide
	Goals Supported	Affordable Housing
	Needs Addressed	Development of Affordable Housing Maintenance of Owner-Occupied Housing Affordable Housing Access and Stability
	Funding	HOME: \$28,388,753
	Description	Rental units constructed
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	32 HOME-designated units for homeless and non-homeless individuals, contributing to multifamily rental projects, creating a total of 229 affordable units.
	Location Description	n/a
	Planned Activities	Rental units constructed
9	Project Name	SDHC-HOME-ADMINISTRATION
	Target Area	Citywide
	Goals Supported	Affordable Housing
	Needs Addressed	Development of Affordable Housing Maintenance of Owner-Occupied Housing Affordable Housing Access and Stability
	Funding	HOME: \$1,349,600
	Description	Administration costs of HOME program for City of San Diego and SDHC.

	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	n/a
	Location Description	n/a
	Planned Activities	n/a
10	Project Name	SDHC-ESG-ALL
	Target Area	Citywide
	Goals Supported	Homelessness
	Needs Addressed	Homelessness and Supportive Services
	Funding	\$1,002,318
	Description	Federal Fiscal Year 2026 ESG funds for the City of San Diego have been allocated to SDHC to operate shelters for the homeless and provide rapid rehousing and homelessness prevention strategies. The rapid rehousing program is sunseting in FY26, allowing resources to be dedicated to homelessness prevention.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	Emergency Solutions Grant funds will support 175 individuals from emergency shelter services and also support the operation of a rapid rehousing program for persons experiencing homelessness for up to 10 households.
	Location Description	
	Planned Activities	n/a

AP-50 GEOGRAPHIC DISTRIBUTION – 91.220(F)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

In 2016, a section of San Diego was federally designated as the San Diego Promise Zone (SDPZ). The place-based initiative unites public and private agencies, community-based organizations, social service providers, nonprofits, and residents in a collective impact framework to attract federal funding and address critical need areas in the city's most under-resourced neighborhoods (more information available on the City's SDPZ website). The SDPZ stretches from East Village and Barrio Logan in the West to Encanto and Emerald Hills in the East. It has an estimated population of more than 80,000 residents. To better support development in the Promise Zone, the annual CDBG Request for Proposals considers whether projects are located within the Promise Zone and serve the Promise Zone residents. In 2018, 35 census tracts in the city were designated as federal Opportunity Zones. Opportunity Zones are economically distressed communities where new investments, under specific conditions, are eligible for preferential tax treatment. Although the Opportunity Zone has a similar boundary to the Promise Zone, the Opportunity Zone provides opportunities for organizations to provide services and critical resources to residents in the areas. The Promise Zone and Opportunity Zone are factors in the application process, and organizations located in or providing services in these areas are awarded preference points during the evaluation process.

Geographic Distribution

Target Area	Percentage of Funds
Citywide	100%

Table 4 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

n/a

Discussion

n/a

Affordable Housing

AP-55 AFFORDABLE HOUSING – 91.220(G)

Introduction

It is not possible to delineate annual affordable housing goals by population type as requested in the tables below. Per HUD requirements, the totals for the two following tables must match, yet the second table may not capture all relevant activities identified in the first table. For example, homeless population housing needs are supported through overnight shelters, but that program type is not listed as an option in the second table.

Additionally, the population types are not mutually exclusive. Project outcomes by funding source used to support affordable housing needs within the City of San Diego have been provided in AP-20 above, with the number of households and individuals assisted itemized by funding source.

One Year Goals for the Number of Households to be Supported
Homeless: 21
Non-Homeless: 21
Special-Needs: 0
Total: 42

Table 5 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through
Rental Assistance
The Production of New Units: 32
Rehab of Existing Units: 0
Acquisition of Existing Units: 10
Total: 42

Table 6 - One Year Goals for Affordable Housing by Support Type

Discussion

The tables above capture units assisted in part with HOME funds. In FY 2026, it is anticipated that funding will support the construction of new affordable rental housing and promote homeownership through the HOME program.

HOME program regulations at 24 CFR 92.254(a)(2)(iii) provide guidance for the use of the City of San Diego's determined 95% of median area purchase price to determine eligibility for the HOME program rather than the Federal Housing Administration (FHA) single-family program data for the San Diego area. The data supported a median sales price of \$929,500 for single-family housing of one unit. The City requests authorization from HUD to use the following as the maximum sales price amount for the City of San Diego's HOME-funded homebuyer assistance projects:

$\$929,500 \times 95\% = \$883,025$ maximum sales price for existing single-family housing of one unit.

AP-60 PUBLIC HOUSING – 91.220(H)

Introduction

SDHC owns and manages the public housing inventory in the City of San Diego and other affordable housing and permanent supportive housing units and ground leases within the city. Most units are restricted to low-income renters with incomes at 80% Area Median Income (AMI) or less. The number of units in SDHC's real estate portfolio, including its nonprofit affiliate Housing Development Partners (HDP), is 4,345 units across 177 residential properties, eight being Public Housing properties totaling 189 units. In addition to the units owned and operated, SDHC is the ground lessor on twenty properties that provide over 1,750 affordable units.

Actions planned during the next year to address the needs to public housing

It is anticipated that in FY 2026, SDHC may expand its portfolio of affordable and permanent supportive housing units utilizing the Homekey program, subject to funding availability and final selection of properties to be identified. In addition, SDHC will continue the review of its portfolio to identify sites that can accommodate additional density for future redevelopment opportunities. Furthermore, in FY 2026, SDHC will continue to conduct rehabilitation work on a number of properties as a part of its multi-year capital renovation plan, informed by the Physical Needs Assessment completed in FY2025.

In FY 2026, HDP will explore expansion of its portfolio of affordable and permanent supportive housing units, with one new acquisition targeted for the fiscal year.

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

In order for a Family Self Sufficiency (FSS) program participant to successfully complete the program, the head of household is solely responsible for completing his/her Individual Training and Services Plan (ITSP) and must be employed by contract expiration. In its 2015 Moving to Work Plan, SDHC requested the authority to provide FSS enrollment to "all adult family members by waiving the requirement for the head of household to join the program. Non-head of households who enter into a contract will be responsible for the completion of the ITSP and must be employed by the end of participation in order for the FSS family to successfully complete the program." This will result in "increased recruitment and enrollment into the FSS Program, thus providing incentives to families to become economically self-sufficient. The initiative will allow families to enroll in FSS in the event the head of household is unable or unwilling to participate in the program."

SDHC was awarded a Resident Opportunities and Self Sufficiency-Service Coordinator (ROSS-SC) (three-year grant) to promote job development, financial stability and self-sufficiency for public housing residents. Our Resident Services Coordinator became a Certified Credit Counselor in 2020 and can now provide direct financial coaching and homeownership counseling to public housing residents. Similar to FSS, ROSS Service Coordinators work directly with public housing residents to assess their needs and connect them with

education, job training and placement programs, and/or computer and financial literacy services available in their community to promote self-sufficiency.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance.

n/a.

Discussion

In 2018, HUD designated the SDHC Achievement Academy as one of eighteen EnVision Centers in 17 communities across the country. The EnVision Center demonstration program focuses on empowering individuals and families to leave HUD-assisted housing through self-sufficiency to become responsible homeowners and renters in the private market so that HUD will be able to help more individuals and families in need. Through the EnVision Center program, federal agencies, state and local governments, nonprofit and faith-based organizations, and private businesses will come together in a centralized location to provide comprehensive resources for low-income families that receive federal rental assistance. Achievement Academy partners include:

AccentCare	Jewish Family Services
Access Center	Job Corps
Alliance for African Assistance	La Maestra Community Health Centers
Amazon	Local Initiatives Support Corporation
AmeriMed	Manpower
Biocom Introductory Life Sciences Experience	Our Genetic Legacy
Center for Employment Training	Rady's Children Hospital
Chase Bank	Real Life Skills
Chula Vista Elite Athlete Training Center	San Diego Futures Foundation
Citi Bank	San Diego Public Library
County of San Diego	San Diego Workforce Partnership
County of San Diego Public Libraries	San Diego Zoo
Dalrada Career Institute	Self-Help Federal Credit Union
First 5 San Diego	SHARP Healthcare
International Rescue Committee	South Bay Community Services

The Campaign for Grade-Level Reading

TransUnion

Union Bank

Urban Corps of San Diego County

US Bank

Wells Fargo

Western Medical Training Center

YMCA of San Diego County

DRAFT

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

Introduction

The Community Action Plan on Homelessness for the City of San Diego is a comprehensive, 10-year plan that lays out short-term achievable goals and serves as a guide for long-term success in addressing homelessness. The Action Plan includes short-term goals within reach, key strategies, guiding principles, and crisis response and housing needs. In 2023, the Action Plan was updated to reflect an updated crisis response and housing needs assessment and financial modeling for the remaining six years of the Action Plan, based on the changing homelessness landscape in San Diego. Over the next year, the Implementation Team will begin engaging and receiving feedback on updated short-term goals and strategizing ways to enhance the performance of the homelessness assistance system.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

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

The City of San Diego (City), in collaboration with SDHC, in fall 2024 developed and executed a short-term action plan on homelessness, informed by stakeholder feedback from persons with lived experience, living experience, frontline staff from shelters and outreach, and shelter operator leadership, to address the projected loss of shelter beds in the system. A consistent theme in the feedback was the importance of offering options that include programs directed at special populations or persons with special needs and shelter that offered a variety of settings, including non-congregate. It was also noted that smaller programs are preferred across all stakeholder groups, and co-located services are necessary.

As part of the City's ongoing efforts to foster a system-level approach to meeting the needs of individuals experiencing homelessness, the City accepted the Community Action Plan on Homelessness in October 2019. The Action Plan provided a series of recommendations and identified three short-term goals:

Decrease unsheltered homelessness by 50%;

Finish the job of ending Veteran Homelessness; and

Prevent and end youth homelessness as outlined in the San Diego County Coordinated Plan to End Youth Homelessness.

On November 14, 2023, the Action Plan was presented to City Council as an informational item to provide updates on progress toward achieving Action Plan goals and present an updated analysis, including a revised needs assessment and updated financial modeling based on the changing homelessness landscape in San Diego. With the increased inflow of persons into the crisis response system and persons experiencing homelessness for the first time, the City, SDHC, and RTFH began to solicit feedback on the next steps to update the Action Plan, which included presenting the updated analysis to community groups and engaging and receiving feedback on short-term goals from stakeholders

The short-term action plan on homelessness that was implemented in the last 4 months of 2024 helped identify priorities and recommendations to the Implementation team on how to prioritize limited resources. Feedback gathered from stakeholder groups, including those with lived and living experience, has informed the development of new shelter programs coming online that offer alternative settings, such as non-congregate and focused beds for special populations such as Seniors, veterans and families. SDHC and the City will continue to host several quarterly feedback sessions with stakeholder groups in the next year.

Two distinct yet complementary teams were created as part of the program, each with a specific focus, set of duties, and outcomes:

Mobile Homelessness Response Team: Facilitates ongoing intensive engagement and connections to supportive services for unsheltered individuals identified as being prioritized for permanent housing resources. Staff provides street-based case management services for prioritized clients with an emphasis on fostering positive exits from homelessness to permanent and longer-term housing opportunities. Outreach services employ problem-solving practices, leveraging internal and external resources, to quickly resolve prioritized clients' instances of homelessness as well as to lead system navigation efforts on an as-needed basis to address any barriers clients may be experiencing in obtaining housing.

Rapid Response Team: Works closely with City staff to focus outreach activities in areas with high concentrations of individuals experiencing unsheltered homelessness as well as coordinating timely responses to various stakeholder referrals. This immediate response is orientated toward brief engagements and rapid housing-focused problem-solving, improving the client's sense of safety and assisting in meeting basic needs.

The City's Coordinated Street Outreach Program also supports regional efforts to employ best practices by taking action on the practices outlined in the "Policy Guidelines for Regional Response for Addressing Unsheltered Homelessness and Encampments," adopted by the Regional Task Force on the Homelessness (RTFH). Multidisciplinary teams consisting of peer-support specialists, outreach specialists trained in street-based case management, and clinical-level staff are leveraged to address clients' needs, emphasizing transitions from homelessness directly to safe, stable housing opportunities. Staff also actively engage community stakeholders to foster trusting relations and open lines of communication while being proactive in addressing any potential or realized community concerns. Participating partners include eight service providers and the San Diego Police Department-Homeless Outreach Team (HOT).

Downtown businesses fund the Downtown San Diego Partnership's (Downtown Partnership) Clean & Safe Program and Integrated Outreach Team. This team engages with homeless persons on the streets of downtown San Diego, refers them to services and beds, or helps them return to their homes in other areas of the country via the Downtown Partnership's Family Reunification Program. In addition, Connections Housing San Diego (a year-round, one-stop, interim residential and service center designed to reduce street homelessness by providing permanent housing to San Diegans experiencing homelessness in the surrounding downtown neighborhoods) has an outreach team that coordinates with the Downtown Partnership and other community outreach in the downtown area. Other agencies have their own outreach teams that engage homeless individuals sleeping on the street with the goal of connecting them with shelter and services.

As mentioned earlier, another resource is the San Diego Police Department's Homeless Outreach Team (HOT), which reaches out daily to persons experiencing unsheltered homelessness. The HOT team is able to refer individuals experiencing homelessness from the street and place the individual in a dedicated shelter bed. Once assigned a triage bed, the individual receives intensive case management to assist with immediate needs (such as health, substance abuse treatment, and income) and housing placement support.

The Coordinated Street Outreach Program leverages all City-funded outreach activities and is a critical component of the City's comprehensive approach to addressing homelessness. This innovative program aligns with national best practices and focuses outreach resources on a neighborhood-based approach, identifying concentrations of unsheltered individuals with an emphasis on diverting individuals from the homelessness response system and fostering connections to permanent housing placements while meeting basic needs and providing connections to bridge housing, emergency shelter and other supportive services. The program marks a new approach to conducting homelessness outreach in the City of San Diego by addressing gaps in the existing system and deploying outreach resources in alignment with the goals of the Action Plan.

In 2024, the City successfully launched two Encampment Resolution projects supported by State of California Encampment Resolution Funding (ERF) grants. One of the projects is in collaboration with the County of San Diego and focuses on encampments along the San Diego River. The second project focuses on encampments along the I-15 corridor. These projects work to address encampments and provide resources, supportive services, and connections to housing for individuals residing in these areas. The city has three ERF grants in total, with the first one beginning in 2023, and is located in the East Village community of downtown. Overall, the City has been able to connect more than 100 individuals residing within these three encampment areas to housing.

The Homelessness Response Center has created better access for those experiencing homelessness by providing a wide array of co-located service providers to assist someone on their path from homelessness to housing. Staff assess each individual's needs and refer to appropriate resources, including street-based case management, coordinated shelter intake and basic needs services like those provided through the day center.

The Homelessness Response Center has created better access for those experiencing homelessness by providing a wide array of co-located service providers to assist someone on their path from homelessness to housing. Staff assess each individual's needs and refer to critical resources. This includes referrals to onsite services like System Navigation, public benefits, veteran resources, family and TAY resources, employment, and family reunification. Staff also make referrals to resources in the community like street-based case management, coordinated shelter intake, and basic needs services like those provided through the day center.

Addressing the emergency shelter and transitional housing needs of homeless persons Crisis Response and Stabilization

Access and placement into emergency shelters and interim housing are critical resources within the crisis response system to transition from places not meant for human habitation into shelter. Once enrolled,

programs can begin to address the barriers preventing program participants from moving into permanent housing and independent living.

The Coordinated Shelter Intake Program, operated by SDHC staff, facilitates access to the portfolio of shelter resources administered by SDHC, totaling 1,602 beds. Intake Coordinators, employed by SDHC, review referrals from more than two dozen approved referring partners, including social service providers, homelessness outreach teams, county departments and law enforcement. They then coordinate with shelter operators to facilitate the placement of clients into the most appropriate and available shelter accommodation. The program operates seven days a week, excluding recognized city holidays.

Case conferencing is another tool used by the RTFH and SDHC to facilitate targeted discussion with homelessness service providers to identify diversion opportunities and to facilitate exits to housing as quickly as possible to ensure instances of homelessness are brief.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The City and SDHC subcontract with local service providers and also operate internal programs to assist persons experiencing homelessness with moving into permanent housing as quickly as possible. Within the City of San Diego, SDHC and the City administer and operate a variety of engagement, crisis response, and housing interventions to meet the unique needs of households experiencing homelessness. Recognizing that one size does not fit all, SDHC offers an array of different emergency shelter program serving single adults (many who are chronically homeless), unaccompanied and transitional-age youth, families, veterans, and seniors in congregate, semi-congregate, and non-congregate settings. Interventions operated in the City include, but are not limited to, Prevention and Diversion; Emergency Shelters and Interim Housing; Transitional Housing; Rapid Rehousing; Permanent Supportive Housing; and an array Homelessness Services such as Day Programs, Safe Parking and Safe Sleeping Programs, and Transitional Storage Centers. Within each intervention, appropriate supportive services and/or case management are provided and delivered in a housing-focused and person-centered manner and use Housing First principles and national best practices in the service delivery models. In 2024, the City served over 10,450 individuals across all of its homelessness programs with over 1,450 individuals exiting to permanent or other forms of long-term housing situations. The section below illustrates the approach used in San Diego's homelessness service system to support the efficient and effective transition from homelessness to housing or to prevent homelessness from occurring at all.

Engagement Services

Persons experiencing homelessness are initially engaged through street outreach, housing navigation, day services, CES access points, and community-based services. Programs such as the Homelessness Response Center (HRC) centralize and streamline access to a spectrum of services and resources focused on assisting persons experiencing homelessness through all steps of the process from homelessness to housing. This includes providing system navigation services and co-locating partnering service providers on-site at the

HRC. The Service Coordination team, staffed by SDHC employees, focuses on identifying and resolving system-level barriers to access housing for people experiencing homelessness. The Service Coordination team takes a data-informed approach to evaluate how the system is operating, identifies barriers that clients encounter and collaborates with crisis response agencies and housing providers to resolve barriers and to streamline the process from homelessness to housing. In addition to the Service Coordination team, there is an on-site lead service provider to provide system navigation services and case management to individuals experiencing homelessness to identify and meet their needs during each stage in their pathway toward housing. The co-located service providers are able to serve a wide range of needs tailored to specific populations such as veterans, families and transition-aged youth. Additional system navigation activities include community collaboration efforts such as holding permanent supportive housing leasing fairs on-site that co-locate the service provider, property management, the RTFH, and SDHC to streamline the process for households referred to this resource.

Programs such as the Day Center are designed to meet the basic needs of persons experiencing homelessness. The Day Center is a drop-in center where adult men and women experiencing homelessness can access resources to meet basic needs and receive referrals to services and shelter. The Day Center is open daily, and services include laundry, restrooms, showers nearby, mail, phones, messages, computer access, and limited storage space. The Day Center serves as a critical access point to sanitation and hygiene resources, such as access to educational materials, personal protective equipment, masks and hand sanitizer, access to handwashing stations, restrooms, and laundry.

Both the Day Center and the HRC are access points for the Coordinated Entry System.

Housing and Services

Matches to available permanent housing resources are facilitated through the Coordinated Entry System (CES), administered by the Regional Task Force on Homelessness (RTFH). CES considers the household's vulnerability while prioritizing permanent housing resources for households with the longest history of experiencing homelessness, persons actively fleeing domestic violence or human trafficking, and sleeping in a place not meant for human habitation.

Housing resources matched through CES include Rapid Rehousing and Permanent Supportive Housing:

Rapid Rehousing programs provide households with security and utility deposits and short- to medium-term rental assistance for up to 24 months. Program participants receive case management targeted to housing stability, budgeting, and increasing income.

Permanent Supportive Housing programs provide long-term rental assistance. Program participants receive ongoing case management and supportive services to maintain housing stability.

The City of San Diego and the SDHC operate a variety of housing programs outside of the Coordinated Entry System to meet the needs of the community.

SDHC's Diversion program offers assistance to individuals and families who are newly homeless within the City of San Diego. Diversion services for newly homeless individuals and families include case management,

housing search assistance, temporary rental assistance, financial assistance, conflict mediation, and connection to services and/or public assistance benefits. Assistance is individualized to each household's unique needs and may include short-term case management to assist households to stabilize in housing.

SDHC's Shallow Subsidy Program provides financial assistance, rental assistance and case management services to help residents in the City's shelters, transitional housing, safe parking and safe sleeping to move into permanent housing and maintain housing stability. The Shallow Subsidy Program serves individuals who are 55 years of age or older, and are on a fixed income. The program provides light-touch case management to obtain and maintain housing with shallow subsidy rental assistance. Eligible financial assistance expenses include application fees, moving fees, security deposits, rental assistance, basic move-in items, and other expenses related to removing barriers to obtain housing.

A resource available to service providers operating housing programs within the City of San Diego is SDHC's Landlord Engagement and Assistance Program (LEAP), which aims to increase access to the existing market of available units for individuals and families experiencing homelessness. LEAP works directly with landlords and property management companies within the City of San Diego to help move individuals and families into housing quickly. LEAP offers landlords incentives, a Landlord Contingency Fund, and landlord liaison services. Flexible funding used toward LEAP services helps to fund SDHC staff, support individuals and families to identify housing units, and provide financial assistance for move-in costs like security deposits, including holding fees, application fees, utility assistance, rent arrears, moving costs, storage costs, and vacancy loss.

Provisions at 42 U.S.C. 12755 and HOME Program regulations at 24 CFR 92.253(d) require that persons assisted in housing funded through the HOME Program be selected from a waiting list in chronological order; however, the waiting list process for HOME-funded units may defer to the process allowed by other federal regulations. Under the CoC Program, CoCs are required to create written standards, which include policies and procedures for determining and prioritizing which eligible individuals and families will receive Permanent Supportive Housing assistance funded with CoC Program funds (24 CFR 578.7(a)(9)(v)). The HOME Program requirement for selecting persons from a waitlist in chronological order defers to this CoC Program requirement. It allows for the establishment of a limited preference, such as one for persons experiencing chronic homelessness with the longest histories of homelessness and the most severe service needs.

The HOME Program requirement for affirmatively marketing units can be satisfied by the CoC CES if the CES includes all homelessness services providers in its system and provides a method for persons who decline assessment through the CES to be placed on a HOME Program-funded project waiting list.

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

SDHC's Prevention program provides assistance to households who are at imminent risk of homelessness. Assistance may include case management services, housing search assistance, temporary rental assistance, rental arrears, financial assistance for move-in costs, landlord conflict mediation, and connection to services and public assistance benefits.

The Housing Instability Prevention Program (HIPP) helps pay rent and other housing-related expenses for households in the City of San Diego experiencing a housing crisis and at risk of homelessness. HIPP also provides case management focused on housing stability. Enrolled households receive assistance for up to 24 months. The program prioritizes seniors 55+, persons with a disabling condition, families with a child 17 or younger and transition-age youth 18-24 for enrollment in the program. HIPP focuses on connecting clients to senior and affordable housing wait lists to transition from rental assistance to long-term affordable units or other permanent housing options.

Discussion

SDHC's Prevention program provides assistance to who are at imminent risk of homelessness. Assistance may include case management services, housing search assistance, temporary rental assistance, rental arrears, financial assistance for move-in costs, landlord conflict mediation, and connection to services and/or public assistance benefits.

The Housing Instability Prevention Program (HIPP) provides financial assistance to households to maintain stable housing amid high rents and low and/or stagnant income in the San Diego rental housing market. HIPP pays rent and other housing-related expenses such as rental and utility arrears for households who are experiencing a housing crisis and at risk of homelessness. HIPP includes four (4) tiers of shallow subsidy for individuals and families, depending on their level of need and are eligible for assistance for up to 24 months. HIPP focuses on connecting clients to senior and affordable housing wait lists with the aim of transitioning from rental assistance to long-term affordable units or other permanent housing options.

SDHC's leasing of newly constructed developments with project-based units will continue throughout FY25. Ninety-six PBVs have opened at Southwest Village (34 low-income and 16 formerly homeless individuals). The Shores at North Beach (13 formerly homeless individuals with chronic disabilities), Ventana Al Sur (25 formerly homeless seniors), and Messina (8 low-income seniors), and 223 PBV's at Pacific Village (15 formerly homeless veterans and 47 formerly homeless individuals) and Presidio Palms (161 formerly homeless individuals) and expected to open and begin leasing by June 2025. SDHC also awarded 608 PBVs for Homekey projects since the first round of Homekey funding became available in 2020. SDHC now has 2,926 Project-based Vouchers dedicated to homelessness and 832 Project-based Vouchers to low-income families for a total of 3,758.

Sponsor-based subsidies assist individuals identified as homeless through the provision of permanent supportive housing while the sponsor organizations provide supportive services. Additionally, a transitional subsidy program provides a flat subsidy to partnering agencies to ensure homeless individuals are housed while appropriate housing solutions are identified. In FY25, SDHC has committed a total of 1,026 sponsor-based subsidies to sponsors. One hundred and eighty-two of these are attached to specific units and are included in the PBV numbers above. There are 47 transitional subsidies available.

In 2020, SDHC was awarded an allocation of Family Unification Program (FUP) Vouchers designated for youths between the ages of 18 and not more than 24 years of age and who have left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless. SDHC collaborates with the Child and Family Well-Being (CFWB) Department of the County of San Diego's Health and Human Services Agency, which provides referrals to SDHC. As of March 2025, 41 FUP youth vouchers are being utilized.

In December 2024, SDHC was awarded 10 Foster Youth to Independence (FYI) vouchers. These vouchers will provide rental assistance to transition-age youth (18-24) who exited foster care and are at-risk of or are currently experiencing homelessness.

Eighty-three of SDHC's Mainstream Vouchers are allocated to low-income households experiencing homelessness where at least one non-elderly household member is disabled. Households for this program are pulled from SDHC's tenant-based waitlist and receive rental assistance similar to participants in SDHC's Housing Choice Voucher program.

SDHC administers the Emergency Housing Voucher (EHV) program, which was specifically designed to address the housing needs exacerbated by the COVID-19 pandemic of households experiencing homelessness and at-risk of homelessness, as well as families fleeing dating/domestic violence, sexual assault, and human trafficking. SDHC currently provides rental assistance to 457 households through this program. Unlike the traditional HCV program, the EHV program is term-limited, and funding from HUD will expire no later than 2035.

The Guardian Scholars program at San Diego State (SDSU) provides resources to students at-risk of or experiencing homelessness. Many students at SDSU qualify for financial aid and government grants to cover their expenses, but housing is the last item to be covered by these funding resources, and this often results in a gap between the funding the student receives and what they need for housing. The rental assistance provided by SDHC closes this funding gap and allows these students to live in on-campus housing both during and between school semesters. Up to 100 participants can participate in the Guardian Scholars program at one time, and the program has a 95% graduation success rate.

The Moving On program serves formerly homeless people who are transitioning out of permanent supportive housing and into living more independently and self-sufficiently. In addition to on-going rental assistance, SDHC also provides assistance with expenses that participants incur when moving into a new home, such as security deposit and first month's rent. Participants remain eligible to receive supportive services from community providers to address the

stresses involved with transitioning until housing stability is ensured. SDHC has awarded up to 50 vouchers to the Moving On program.

The Monarch School Project is a partnership between SDHC and Monarch School that offers affordable housing solutions to unhoused families with school-aged children who attend Monarch. Supportive services and work-readiness services are offered to parents through programs at Monarch and SDHC's Achievement Academy. Twenty-five families are assisted by the Monarch School Project.

SDHC administers the Veterans Affairs Supportive Housing (VASH) program in conjunction with the local Veterans Affairs (VA) Medical Centers. SDHC provides rental assistance for veterans experiencing homelessness while the VA provides both clinical services and case management at their Medical Centers and community events. One hundred eighty-five of these VASH vouchers are project-based, which combines the support of VASH case management with the stability of fixed housing and are included in the PBV numbers above. In December 2024 SDHC was awarded an additional 75 vouchers to the VASH program, bringing the total number of VASH vouchers to 1,460.

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

A variety of barriers exist which make increasing the affordable housing stock in San Diego difficult:

1. Income and wages are not keeping pace with rising housing costs and the overall cost of living.
2. Federal resources for programs, such as the federal Section 8 Program, do not match the evidenced need.
3. Homeownership is out of reach for most residents.
4. Low housing vacancy rates are contributing to higher rents.
5. The cost of land is high and there is a lack of vacant land for future growth. Development barriers in some communities, including permit processing times, height restrictions, outdated community plans, environmental review, and community opposition ("NIMBYism").
6. Lack of knowledge of availability, understanding of requirements of, or access to resources available to persons in need that may qualify for programs.
7. Backlog of infrastructure and public facilities investment needs.
8. Impediments to Fair Housing.

Actions planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City's 2021-2029 Housing Element outlines the following broad objectives to address the barriers to affordable housing by:

Implementing permitting process improvements,

Improving infrastructure systems to support infill development and promote affordable housing,

Set and evaluate annual housing capacity targets,

Support and engage in innovative methods for financing housing development,

Preventing displacement,

Support practices and programs that aim to reduce energy/resource consumption in existing homes,

Foster citywide discussion on housing needs, resources, and ideas, and

Make information more easily available.

Other specific Housing Element policies to address the barriers to housing include:

Update community plans regularly to provide certainty in the development process. Through these updates, the City—working with a broad coalition of community stakeholders—should:

- Identify areas appropriate for increased infill, residential, and mixed-use development.
- Designate land for a variety of residential densities to meet housing needs for a variety of household sizes.
- Encourage location- and resource-efficient development whereby housing is located near employment, shopping, schools, recreation, transit, and walking / bicycling infrastructure.
- Allow for more floor area ratio (FAR).
- Adopt Programmatic Environmental Impact Reports (EIRs) to allow EIR tiering for individual projects consistent with the updated plan(s).

Community plan updates provide the City with opportunities to add housing capacity in Transit Priority Areas (TPAs).

Require new development to meet applicable zone and land use designation density minimums to ensure efficient use of remaining land available for residential development and redevelopment.

Allow residential densities that exceed the ranges defined in the General Plan and community plans for projects using State density bonus provisions (including senior housing and affordable housing) and City housing incentive programs.

Identify and evaluate options to increase housing opportunities in areas planned and zoned for single-family residential densities.

Encourage affordable housing on publicly owned sites suitable (in terms of geology, topography, proximity to commercial areas) for development and not needed for public use by re-designating such properties with mixed-use land use designations and zoning.

Evaluate the benefit of implementing regulatory mechanisms that deter landowners from holding land off the market (i.e., vacant) by taxing it at a higher rate until housing is built.

Support developing a method that ensures an equitable distribution of supportive housing and facilities for people experiencing homelessness throughout the city, especially sites that are co-located with support services for health, mental health, and workforce development and that are located near transit.

Following the RHNA adoption process, identify housing production goals by Community Planning Area based on an analysis of feasible site suitability.

Develop and maintain policies and programs that identify obstacles to building affordable housing, infill housing, and smart growth housing development, and provide regulatory strategies and tools that will streamline the development process.

Pre-clear potentially historic sites or structures in exchange for a commitment to build housing that includes onsite affordable units.

Take affirmative actions to further fair housing choice in the city, and implement the solutions developed in the Regional Analysis of Impediments to Fair Housing Choice to mitigate and / or remove fair housing impediments.

Evaluate the impact on housing affordability of all proposed regulatory, fee, and policy changes, as well as any means of mitigating adverse impacts that are identified.

Expand local, and support efforts to expand Federal and State, legal protections for lower-income renters who could be displaced by condominium conversions.

Utilize the City's regulatory powers (e.g., land use and fees) to increase affordable and accessible housing.

Apply, interpret, and enforce regulations equitably for building and housing permits and housing quality to protect public health and safety.

As a subrecipient of the City, SDHC is also addressing the barriers that hinder affordable housing and residential investment with the following strategies:

1. Strategic Priority 1: Increasing and Preserving Housing Solutions.
2. Strategic Priority 2: Helping Families Increase Opportunities for Self-Sufficiency and Quality of Life.
3. Strategic Priority 3: Investing in Our Team.
4. Strategic Priority 4: Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.
5. Strategic Priority 5: Advocacy, Communication, Public Engagement.

More details related to SDHC's strategic priorities can be found in its [FY22-FY24 Strategic Plan](#).

DRAFT

AP-85 OTHER ACTIONS – 91.220(K)

Introduction

This section discusses the supplemental policies, programs, and initiatives that will support the housing and community development actions.

In addition to the efforts with the County, SDHC, the Regional Task Force on Homelessness and the Continuum of Care, as well as the Regional Alliance for Fair Housing, the City of San Diego will continue those activities to both help public and private housing and social service agencies to better serve San Diegans and to fully use their federal housing funds. This includes maintaining its current robust network of jurisdictional- and region-wide public and nonprofit services providers. Additionally, this includes understanding and assistance together with the Consolidated Plan Goals and Strategies, the City's competitive application processes and forms, requirements for grant implementation and reporting, and grant close-out and success.

Actions planned to address obstacles to meeting underserved needs

In an effort to direct critical HUD resources and make demonstrable progress toward achieving the Consolidated Plan Goals, the City has outlined the following distribution of CDBG funds for Fiscal Years 2025 – 2029. The City anticipates a minimal reduction from FY 2024 to FY 2025 in entitlement funding. As such, the following budgetary priorities were established based on stakeholder input through virtual forums and one-on-one interviews; eight public forums attended by residents; a community survey available in 14 languages; and input from members of 10 City committees, advisory boards, coalitions, and workgroups:

Public Services [up to 15% annually]: This portion of the funds allow for public services to be delivered to the City's most vulnerable populations. Council Policy 700-02 establishes a portion of public services funding for services to assist the homeless population. Pursuant to San Diego City Council No. R-310812, adopted December 16, 2016, up to \$1,318,078 in CDBG public service funds are dedicated to assisting with the costs of homeless programs and services. Concurrent with the presentation of this Annual Action Plan, the City Council will be asked to consider an amendment to Council Policy 700-02 establishing the set-aside to be no more than \$1,000,000.

Economic Development [up to 10%]: Activities funded through this program are intended to promote economic opportunities including job readiness and business/ microenterprise development. The new Consolidated Plan goal has a greater focus on small businesses and supporting local entrepreneurs.

Community Development (City Capital Improvement Projects/ Infrastructure / Nonprofit Facility Projects [up to 25%]): Funds here are dedicated to the investment in the City's critical public infrastructure needs to support neighborhood safety and improved livability and nonprofit facility projects that improve or expand services to the City's most vulnerable populations. Activities funded through this program are intended to improve the communities in which low- and moderate-income individuals or families reside. This includes, but is not limited to street improvements, park enhancements, public facility expansions/remodels, improvements or creation of facilities for nonprofit organizations that support the low- and moderate-income community, and ADA enhancements to make public facilities more accessible.

Affordable Housing Projects [up to 30%]. Housing remains a pressing issue in the City of San Diego and the City will continue to fund affordable housing opportunities throughout the Consolidated Plan cycle.

Administration and Planning [up to 20%]. It is important to note that, in addition to supporting staff salaries, office space and supplies, the City's administration budget supports the critical Fair Housing efforts on an annual basis, including a 24/7 hotline, education and enforcement. This budget will also support the renewal of the City's award-winning Nonprofit Academy to increase the capacity of smaller, neighborhood-serving nonprofit organizations.

Actions planned to foster and maintain affordable housing

Actions planned to foster and maintain affordable housing include the Strategies to remove or Ameliorate the Barriers to Affordable Housing listed in section AP-55.

Actions planned to reduce lead-based paint hazards

The City of San Diego's Environmental Services Department, Lead Safety and Healthy Homes Program (LSHHP), serves as the City's primary liaison for connecting the community with resources to prevent lead poisoning since 2002.

In June 2002, the City of San Diego adopted Ordinance No. 19063 ("Abatement of Lead Hazards"). In April 2008, the City renamed and incorporated the previous ordinance into the San Diego Municipal Code Chapter 5 (Public Safety, Morals, and Welfare), Article 4 (Public Hazards and Public Nuisances), in Division 10, titling it as the "Lead Hazard Prevention and Control Ordinance" - Section 54.1001 et seq." Two other sections were added at the time of the incorporation into the Municipal Code. In February 2025, the City adopted Ordinance No. 21912, amending the Lead Hazard Prevention and Control Ordinance to add clarification, increase enforcement capabilities and incorporate regulations by reference. This ordinance is one of the most comprehensive local lead poisoning prevention ordinances in the nation.

Division 10 makes it unlawful to create or maintain a lead hazard. The purpose of Division 10 is to:

Prevent, identify, and remedy lead hazards in housing before children are poisoned;

Protect occupants and the public from exposures to lead hazards;

Provide standards to implement lead hazard control requirements;

Strengthen the authority of local agencies responding to lead paint poisoning cases; and

Establish and promote lead-safe work practice standards for owners, maintenance workers, and all persons involved in lead hazard control and activities such as remodeling, renovation, rehabilitation, and repair that disturb lead paint, in order to protect occupants and the public from exposure to lead hazards.

In addition to requiring property owners to maintain their properties, the amended ordinance requires:

Contractors conduct renovation in a lead-safe manner and conduct visual verification and lead dust clearance testing.

Landlords to conduct a visual assessment and correction of potential lead hazards at unit turnover.

Home improvement and water pressure equipment rental stores required to make available lead education material to customers.

Childcare facilities to obtain proof of blood lead testing at enrollment.

The LSHHP has and will continue to respond to all tips and complaints related to violations of the Lead Hazard Prevention and Control Ordinance. In the most recent fiscal year end (FY2024), there were 168 active lead code enforcement cases. Specific activities conducted by LSHHP Code Enforcement Officers included responding to or issuing:

10 complaints related to substandard housing including 6 with lead poisoned children,

23 complaints related to unsafe work practices,

67 Notice of Violations for unsafe work practices in response to 654 unannounced visits to permitted construction job sites,

39 Notice to Comply letters (Voluntary compliance for deteriorated paint),

7 Abatement Notice and Orders related housing conditions,

8 Notice of Violations related to housing conditions, and

25 responses to General Information inquiries.

Public Education

The LSHHP, through the City's website, has extensive information about not only the Division 10 ordinance, but also:

A pamphlet related to planning or "do it yourself" home renovations, how to do the work correctly so as for avoid self- and household lead contamination "Don't Spread Lead" available in English, Spanish, and Vietnamese,

Links to Blood Lead Testing Clinics,

Information to learn about lead and its dangers,

Preventing childhood lead poisoning, and

Other resources.

Since FY 2019, the LSHHP has utilized a case management system which has tools used to educate contractors on the need to utilize lead safe work practices and make them aware of the related regulatory requirements. This case management system allows LSHHP staff to send educational information to individuals who have registered with the City Construction and Demolition Debris Deposit Program.

Registration is required for individuals to obtain permits for construction, demolition, and remodeling projects. During FY 2024, 1,545 educational letters and e-mails were sent to contractors and 654 unannounced job site visits were conducted.

Key elements of this educational outreach effort include:

Disturbing lead-based paint can create hazards that are a serious threat to the health of children- and adult-occupants, workers, and their families,

Key elements of the City's Lead Hazard Prevention and Control Ordinance and the EPA Renovate, Repair and Painting Rule, and

A notification that a City Compliance Officer may visit the project site to determine if lead-safe work practices are being implemented.

In December 2013, the Santa Clara County Superior Court issued a judgment in *The People of the State of California v. Atlantic Richfield Co, et al.*, that three paint manufacturers had actively promoted the use of lead-based paint as safe for the use in the interior of homes. After 16 years of litigation, the court ruled that these defendants were liable for damages arising out of the sale of lead-based paint before it was banned in 1978. As a result, multiple California jurisdictions were awarded a total \$409 million, with the City of San Diego's portion being \$17.3 million. Per the judge's decision, these funds will primarily eliminate lead hazards in privately owned residential housing.

The City utilized the funding to establish the San Diego Residential Lead Abatement Program (SDRLAP) in the Environmental Services Department. This program includes an education and outreach campaign, funding for lead-hazard remediation workforce development, and lead remediation in privately owned residences, with an emphasis on houses in low—and moderate-income areas. There is no deadline by which the funds must be expended.

During FY 2024 and FY 2025, the LSHHP established contracts for enrollment, inspection and abatement services needed to implement the program. As of the writing of this Plan, the City of San Diego has spent \$416,687.56 to date, with \$753,684.35 of the remaining funds currently encumbered for future work. The funds to date and moving forward are required and will be used for the San Diego Residential Lead Abatement Program effort to reduce or eliminate lead hazards in private residential homes throughout the City of San Diego.

The City plans to continue to focus its efforts and activities on risk assessments, unsafe work practices, violation enforcement, and similar activities.

Actions planned to reduce the number of poverty-level families

Through its CDBG allocations, the City of San Diego funds a variety of projects under eligible economic development efforts.

The City's Economic Development Strategy 2023-20206, which is aligned with the foundational documents of the City's Strategic Plan, Equity Forward, and Climate Action Plan, contains four overarching Goals:

Support families and workers,

Support small and local businesses,

Bolster trade and innovation, and

Strengthen neighborhoods.

The success of economic development initiatives in reducing the number of poverty-level families is monitored through objectives and metrics of:

Support families and workers:

Number of jobs supported by the expansion, attraction and retention of employers working with the Economic Development Department.

The number of active childcare and family child licensed providers in San Diego.

Number of apprenticeship, educational, and training opportunities supported through partnerships with employers, nonprofit partners, educational institutions.

Number of individuals in under-resourced communities receiving financial and/or digital literacy training through Economic Development Department Programs.

Support small and local businesses:

Number of businesses assisted through small and neighborhood business programs.

Number of active small businesses.

Number of contacts with small businesses reached by current or new EDD programs, funds, and initiatives.

Strengthen neighborhoods:

Number of affordable housing and permanent supportive housing units.

Number of public and private organizations engaged across under-resourced communities.

Number of persons assisted through public and private neighborhood investments (i.e., local, state, and federal funding).

Amount of investment committed/leveraged to increase housing affordability and supply.

Actions planned to develop institutional structure

The City creates strategic partnerships to enhance the availability of resources and leverage services provided to low- and moderate-income residents and neighborhoods. For this Consolidated Plan period, the City, along with SDHC and social service partners will actively participate in the Continuum of Care

(currently over 80 member organizations) to implement regional efforts and resources to address homelessness. City staff and SDHC participate in the general membership, but also serve on the Board and several committees, including the Governance Advisory Board, Veterans Consortium, and the Health and Homelessness Committee. At a minimum, the City will continue to sponsor training sessions on issues and topics of interest to other members and partner agencies in the areas of compliance with technical federal, state, and local affordable housing regulations.

The City of San Diego is also a participating jurisdiction in the San Diego Regional Alliance for Fair Housing (SDRAFFH). The SDRAFFH is a dedicated group of professionals working together to ensure that all residents in San Diego County have equal access to housing. It is comprised of government entities, the fair housing service providers and housing providers. As a member of the SDRAFFH, the City of San Diego served as the lead municipality for the development of the 2020-2025 San Diego Regional Analysis of Impediments to Fair Housing Choice (dated August 2020). The communities within San Diego County have established a commitment to providing equal housing opportunities for their existing and future residents. This report, the Analysis of Impediments to Fair Housing Choice (commonly known as the "AI"), presents a demographic profile of San Diego County, assesses the extent of housing needs among specific income groups, and evaluates the range of available housing choices for residents. The AI also analyzes the conditions in the private market and public sector that may limit the range of housing choices or impede a person's access to housing. More importantly, this AI identifies impediments that may prevent equal housing access and develops solutions to mitigate or remove such impediments. The City of San Diego plans to continue in the monitoring and implementation of recommendations specific to San Diego, along with future updates to the Regional Fair Housing planning documents as a participating jurisdiction and pursuant to federal updates to Fair Housing planning requirements.

Actions planned to enhance coordination between public and private housing and social service agencies

The City benefits from a strong jurisdiction and region-wide network of housing and community development partners, such as the County, the RTFH, and SDHC. The County's Housing and Community Development Department (HCD) improves neighborhoods by assisting low-income residents, increasing the supply of affordable, safe housing, and rehabilitating residential properties in San Diego County. HCD leverages the City's HOPWA program funds with the County's Health and Human Services Agency and its own housing program income. The RTFH has approximately 80 members comprised of a broad spectrum of the community, including providers of services, government agencies, and the private sector.

Program Specific Requirements

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

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

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

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$1,070,064.38 <<to be updated in final draft of the AAP prior to submittal to HUD>>
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	
3. The amount of surplus funds from urban renewal settlements	
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	
5. The amount of income from float-funded activities	
Total Program Income	\$1,070,064.38

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	95%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City does not use HOME funds in any other manner than those described in Section 92.205. The City will occasionally submit waiver requests to HUD in accordance with applicable regulations to request to adjust the maximum purchase price for single family residences and condominiums.

1. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

SDHC will recapture that portion of HOME program investment unforgiven by the elapsed affordability period or recapture the maximum net proceeds from sale of property (whether recapture is affected through foreclosure or no foreclosure action). Net proceeds recovered will be used to:

- (1) Reimburse the HOME program (approved activity) for the outstanding balance of HOME funds not repaid or forgiven during the applicable affordability period at the time of recapture. (2) Reimburse the HOME program (administration) for "holding costs" or other costs associated with the recapture action (legal fees, insurance, taxes, realtor fees, appraisal/BPO costs, etc.)
- (2) If net proceeds recaptured are less than the outstanding balance of HOME funds invested in the property (for all approved activities and holding costs incurred), the loss will be absorbed by the HOME program and all HOME program requirements would be considered to have been satisfied. If net proceeds recaptured are greater than the outstanding balance of HOME funds invested in the property (for all approved activities and holding costs incurred), the balance of net proceeds would be distributed to the homeowner (or his/her estate). If the recapture of proceeds is effectuated through a completed foreclosure action, and the property is legally owned by SDHC, the balance of net proceeds recaptured will inure to SDHC.

1. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds. See 24 CFR 92.254(a)(4) are as follows:

For those cases where the affordability requirements are violated as a result of the death of the HOME beneficiary and there is an eligible person who qualified and is desirous of assuming the HOME assistance invested in the property, SDHC will permit sale of the HOME-assisted unit to the qualifying, eligible person, contingent upon SDHC's prior review and approval. The subsequent owner will be required to adhere to all applicable affordability requirements for the unexpired term of the original affordability period.

1. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:
2. The San Diego Housing Commission does not use HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds.

Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)

1. Include written standards for providing ESG assistance (may include as attachment)

The City of San Diego and SDHC adopted performance standards in line with the regional Continuum of Care. These standards include: rapidly rehousing clients into permanent housing within 90 days after determination of eligibility; at least 56% of clients will exit to permanent housing; and least 75% of clients will maintain or increase income while participating in the program . The City of San Diego and SDHC also require programs use progressive engagement with clients to determine their financial need and receive just enough assistance to regain stability in permanent housing. The ESG Policies and Procedures can be found in Attachment B, Appendix 3.

1. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Since the inception of Coordinated Entry, **San Diego's Coordinated Entry System (CES)** has evolved into a fair and equitable process that came together with the assistance of various providers and community leaders that make up the San Diego Continuum of Care (CoC). The CoC established a Coordinated Entry working group with a representation of service providers from each region and based on sub-population they serve. In collaboration with RTFH's HMIS and CES team, this working group developed a new CES Prioritization Tool. The tool generates a composite score primarily based on client enrollment data from HMIS, ensuring the prioritization process aligns with San Diego's CoC Community Standards. With the establishment of the new CES Prioritization Tool, the Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT) score contributes only to 10% of the overall score assigned to the client for prioritization. San Diego's CES has produced this prioritization process, which will focus its limited regional housing resources to households with the greatest vulnerability in a timely and consistent manner.

The San Diego CES Prioritization tool aligned with the priorities identified on the Community Standards, which are households by the following four categories:

1. The longest history of experiencing homelessness and most needs.
2. The longest history of experiencing homelessness.
3. The most needs, particularly mental illness or substance use disorder.
4. All other: Non-Chronically homeless individuals, youth, and families.

Data is collected and entered by homelessness service providers within the San Diego HMIS database, adhering to HUD's standards for Coordinated Entry implementation and data collection. RTFH regularly updates data collection requirements to remain compliant with HUD's annual HMIS data standard changes.

Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City of San Diego and SDHC, as a subrecipient of the City's ESG allocation for homelessness services programs, issue competitive solicitations to procure subrecipients and contractors to operate programs funded with ESG as well as other federal, state, and local sources. Competitive solicitations are made available for download on the PlanetBids website through both SDHC's and the City of San Diego's portals. Notifications are sent through the PlanetBids system to register agencies and other organizations, as

identified by SDHC and the City. At the close of the competitive solicitation, a source selection committee evaluates and scores responses based on criteria contained in the competitive solicitation. Once a subrecipient is selected, the City or SDHC conduct contract and budget negotiations and seeks City Council or SDHC Board of Commissioners and Housing Authority approval, as applicable, before entering into a contract. The contract is executed between the City or SDHC and the subrecipient to conclude the process.

In certain circumstances, the City or SDHC may employ a non-competitive solicitation process if it determines eligibility under the San Diego Municipal Code or a potential change in program operator would disrupt the continuity of care for program participants; a competitive solicitation process would delay implementation of a program needed to address an immediate public health and safety concern such as an infectious disease outbreak; or the program model is specific to the degree a competitive solicitation would not yield a sufficient pool of applicants, such as the target population requires specialized services provided by only one agency operating in San Diego.

Under the approved Statement of Procurement Policy, the San Diego Housing Commission (SDHC) has the authority to procure services from non-profit organizations and agencies without competition, advertisement, or approval by the Housing Authority. Section 9.1 of the Policy lists four specific requirements for awarding contracts/agreements in this manner.

1. The Chief Executive Officer has certified in writing that the contract furthers a specific public policy; and
2. The Chief Executive Officer has certified in writing that the contract is in the public interest; and
3. The contract does not exceed \$1,000,000 per year, which amount shall be indexed annually to the cost of living or as amended by the City in San Diego Municipal Code section 22.3210, whichever is greater; and
4. The Chief Executive Officer has considered all of the following, which are documented in the contract file: a) whether the non-profit organization or agency agrees to direct supervision of the worker; b) whether the non-profit organization or agency agrees to provide workers' compensation insurance for the workers; and c) whether the agency or non-profit organization agrees to indemnify, protect, defend and hold the SDHC, the Housing Authority and the City harmless against any and all claims alleged to be caused or caused by any act or omission of the worker or agency employee.

If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

SDHC does not have homeless or formerly homeless people on its Board of Commissioners nor does the City Council. However, the City and SDHC do consult with the Regional Continuum of Care which has formerly homeless individuals as members. Subcontractors who administer the shelters and the rapid rehousing programs have formerly homeless individuals in their organizations who help shape policies and

make decisions about services and programs that receive ESG funding. These organizations also provide opportunities and encourage homeless clients to give their input regarding homeless programs. SDHC also coordinates a quarterly stakeholder meeting with persons with lived experience to discuss policies and program design.

Describe performance standards for evaluating ESG.

The City evaluates ESG-funded programs through an extensive monitoring process involving desk audits of reports and supporting documentation; on-site monitoring reviews; frequent telephone contacts; written communications; and meetings. Through regular monitoring of subrecipients, City staff ensures subrecipients abide by all applicable federal, state and local standards. The City provides technical assistance to subrecipients to increase efficiencies and augment 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 subrecipients to correct identified deficiencies through discussion and/or technical assistance, prior to imposing any sanctions.

As part of the year-end requirements, subrecipients are required to submit fiscal reports based on contract terms. Governmental units and nonprofit organizations expending more than \$750,000 in federal funds during the given fiscal year are required to submit a copy of a Single Audit to the City to adhere to OMB Circular A-133 requirements. A Single Audit is required for desk review by the CDBG program, regardless of whether there were findings noted in the audit pertaining to CDBG funds, since it serves as an additional monitoring tool used to evaluate the fiscal accountability of subrecipients. As part of the closeout process, subrecipients expending CDBG funds are required to submit an Audited Financial Statement for desk review, if submission of a Single Audit is not applicable.

For homelessness services program contracts administered by SDHC, the Compliance Business Unit within the Homelessness Housing Innovations Division performs data analysis and reporting, provides technical assistance and conducts monitoring reviews, including, if applicable, file reviews, site visits, desk audits, and interviews with program participants and program staff. Monitoring reports are issued to document contract compliance and any deficiencies requiring mitigation, which may also be addressed through non-compliance noticing procedures such as performance improvement plans. A financial audit is also performed annually by SDHC's Fiscal Team to determine if funds are used according to state and federal regulations and local policies. Monthly submissions of requests for reimbursement for program expenses submitted by subrecipients undergo two levels of review by SDHC staff to determine if the expenses are eligible and in alignment with the approved program budget. Contracts also include performance standards in alignment with the RTFH performance standards. SDHC staff monitor outcomes on a monthly or quarterly basis to ensure outcome measures are being met by subrecipients. Lastly, SDHC staff regularly contact subrecipients, including facilitating quarterly fiscal and performance reviews and site visits, to evaluate program performance and areas requiring technical assistance.