



## THE CITY OF SAN DIEGO REPORT TO THE CITY COUNCIL

DATE ISSUED: December 11, 2013 REPORT NO: 13-100

ATTENTION: Honorable Council President and Members of the City Council

SUBJECT: Adoption of the FY 2015- FY 2019 Consolidated Plan Goals

REQUESTED ACTION:

Approve and adopt the FY 2015 – FY 2019 Consolidated Plan goals.

STAFF RECOMMENDATION:

Approve the requested action

BACKGROUND:

The United States Department of Housing and Urban Development (HUD) requires local jurisdictions to prepare a Consolidated Plan (Con Plan) in order to receive federal housing and community development funding for all HUD entitlement grants.

There are four federal entitlement programs funded HUD that must be addressed in the City of San Diego's Consolidated Plan:

1. Community Development Block Grant (CDBG): The primary objective of the CDBG program is the development of viable urban communities through the provision of improved living environments, expansion of economic opportunity and decent housing. Grant funds are intended to serve "persons of low and moderate income" (LMI) as defined by HUD.
2. HOME Investment Partnerships Program (HOME): The HOME program is dedicated to the establishment and expansion of affordable housing for low-income households.
3. Emergency Solutions Grants (ESG): The purpose of the ESG program is to assist individuals and families regain housing (temporary and permanent) after experiencing a housing crisis or homelessness.
4. Housing Opportunities for Persons with AIDS (HOPWA): HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs for the benefit of individuals living with HIV/AIDS and their families.



The planning process to create the Consolidated Plan serves as the framework for a community-wide dialogue to identify housing, economic development and community development priorities.

The main purposes of the Consolidated Plan are to:

1. Identify the City's housing and community development needs (including those at the neighborhood-scale, as well as economic development needs), priorities, and goals;
2. Identify other federal, state, county, local, and private sources of funding that may be utilized in order to leverage the CDBG, HOME, ESG, and HOPWA resources; and
3. Arrive at the Strategic Plan the City will follow in order to address needs, priorities, and goals while considering the availability of other resources and mechanisms.

The City of San Diego Consolidated Plan is updated every five years and the FY 2015 – FY 2019 Consolidated Plan (July 1, 2014 – June 30, 2019) must be submitted to HUD for review and approval on or before May 15, 2014. The City of San Diego is currently in the process of updating its Consolidated Plan for the 2015-2019 time period.

The City is developing its Con Plan in consultation with those intended as the primary beneficiaries of these HUD entitlement programs, the community-at-large, and non-profit, for-profit and faith-based community-serving organizations. Because the HUD programs referenced above have limited funding, the City must determine how to best use these program funds to achieve the greatest public benefit. Part of this Consolidated Plan process includes assessing community needs, setting goals and developing strategies to address priorities needs and objectives. The goals and objectives established in the Con Plan will direct the allocation of FY 2015 – FY 2019 HUD grant program funds.

Since the development of the FY 2015- FY 2019 Con Plan is occurring concurrently with the FY 2015 CDBG allocation process, the City must adopt goals that can be applied when reviewing the FY 2015 applications. These goals would then be incorporated into the FY 2015 – FY 2019 Con plan prior to final approval. This strategy is necessary in order to allow the current program year to be consistent with the remaining four (4) years of the Con Plan. Otherwise, the FY 2015 allocations would be based upon the outdated goals of the FY 2010- FY 2014 Consolidated Plan, which are not necessarily representative of the current needs within the City's low and moderate income communities. Additionally, use of the outdated goals would make future reporting to HUD onerous and confusing, as one program year (FY15) would be based upon an outdated set of goals, while the remaining four program years (FY16-FY19) would be based upon the updated goals.

The City released its FY 2015 CDBG Request for Qualifications on October 28, 2013 and is currently reviewing responses. Eligible applicants will be invited to reply to a Request for

Proposal (RFP) for FY 2015 CDBG program funds. The FY 2015 CDBG RFP is tentatively scheduled for release in early January 2014 and the goals approved through this action would be included in that RFP.

## DISCUSSION:

The Con Plan update process is a year-long exercise that began in July 2013, with the City conducting some initial public outreach during the Consolidated Plan Advisory Board (CPAB) meetings.

In September 2013, staff presented an informational item to the Public Safety and Neighborhood Services (PS&NS) Committee regarding the FY 2015 Application Process. At this hearing, staff discussed the progress made to-date in updating the Con Plan goals, changes made to the application process, revisions in the review and scoring criteria and new application guidelines. Staff also described the next steps in the Con Plan process and informed the PS&NS Committee that outreach and data analysis would be conducted over the months of the October and November in order to bring new goals forward for adoption in December 2013.

In October, the City engaged the services of LeSar Development Consultants (LDC) to assist with the development of the FY 2015- FY 2019 Consolidated Plan and the formulation of the recommended Con Plan goals. Throughout the months of October and November 2013, LDC, in conjunction with City staff, engaged in an extensive community outreach program to solicit input from the direct beneficiaries of the HUD grant programs, as well as the agencies that utilize HUD funds. The community outreach program is summarized in Attachment #1.

Based on the information gathered through the community forums, surveys and other source data, a four part analysis was conducted in order to reach the recommended Con Plan goals. This four part analysis is summarized in Attachment #1 and includes:

1. Qualitative Analysis of Community Need
2. Quantitative Analysis of Community Need
3. Review of Best Practices
4. Examination of Opportunities for Leveraged Funds

As a result of this analysis, the following FY 2015- FY 2019 Consolidated Plan goals are recommended for the Council's approval:

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- GOAL 1: Enhance the City's economic stability and prosperity by increasing opportunities for **job readiness** and investing in **economic development programs**.
- GOAL 2: Strengthen neighborhoods by investing in the City's critical **public infrastructure** needs.
- GOAL 3: Improve housing opportunities by creating and preserving **affordable rental and homeowner housing** in close proximity to transit, employment and community services.
- GOAL 4: Assist individuals and families to stabilize in permanent housing after experiencing a housing crisis or **homelessness** by providing client-appropriate housing and supportive service solutions.
- GOAL 5: Invest in community services and non-profit facilities that maximize impact by providing new or increased access to programs that serve highly vulnerable populations such as **youth, seniors and food insecure households**.
- GOAL 6: Meet the needs of persons with **HIV/AIDS** and their families through the provision of housing, health, and support services.

Once the goals are approved, they will be incorporated in the RFP for FY15 CDBG funds. Additionally, they will provide a framework in the Con Plan from which strategic objectives and action items can be developed to further advance the goals. It is anticipated that a first draft of the FY 2015- FY 2019 Consolidated Plan will be available to the public and CPAB for review in late January or February next year.

Guiding Strategies for the implementation of the above goals will be discussed further in the FY 2015- FY 2019 Consolidated Plan. These Guiding Strategies include the following and were previously vetted at the Public Safety and Neighborhood Services committee for incorporation within the FY 2015 Review and Scoring Criteria:

**Geographic Targeting:** Stabilize and improve the most underserved areas by geographic targeting of capital improvement, economic development, and community services resources based on a number of indicators, including income level and poverty rates.

**Leverage:** Maximize the use and sustainability of HUD Program funding by investing in opportunities that leverage other federal, state, and local resources and promote collaborative approaches to integrating community improvement efforts.

**Efficiencies:** Increase operational efficiencies of HUD Programs through enhanced coordination, technical assistance, and effective oversight.

**FISCAL CONSIDERATIONS:**

There is no fiscal impact to the General Fund with this item.

EQUAL OPPORTUNITY CONTRACTING INFORMATION: N/A

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On September 18, 2013, Public Safety and Neighborhood Services Committee discussed an informational item regarding the FY 2015 Application Process, including activities related to updating the Con Plan goals.

The FY 2015 Revised Review and Scoring criteria were approved by the Public Safety and Neighborhood Services Committee on October 30, 2013. The proposed guiding principles were included in this action.

ENVIRONMENTAL REVIEW

This activity will not result in a direct or reasonably foreseeable indicated physical change in the environment, and is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(2).

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The City, through its consultant, LeSar Development Consultants, has engaged in an extensive community outreach effort. Please see the attached summary of the community participation and public outreach efforts. (Attachment 1)

On September 11, 2013, the Consolidated Plan Advisory Board (CPAB) held a public workshop to discuss the Con Plan goals. Additionally, the CPAB met on November 13, 2013 and December 2, 2013 to discuss the four-part analysis conducted by LDC and the Con Plan goals. The final recommendation of the CPAB will be presented verbally to Council.

All meeting notices, agendas and results were distributed via email to interested stakeholders and posted on the City's CDBG Program webpage.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders in this action are the residents of low and moderate income communities and community-serving organizations.

Respectfully submitted,



William Fulton

Director

Planning, Neighborhoods & Economic Development Department

Attachment 1: Consultant's Summary of Consolidated Plan Outreach Efforts and Data Analysis