



## Second Substantial Amendment

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To the Fiscal Year 2015-2019 Consolidated Plan

MAY 2017

Prepared by:

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**SECOND SUBSTANTIAL AMENDMENT**  
*to the*  
**Fiscal Year 2015–Fiscal Year 2019**  
**CONSOLIDATED PLAN**

**TABLE OF CONTENTS**

**Strategic Plan**

SP-05 Overview .....	3
SP-10 Geographic Priorities – 91.215 (a)(1) .....	20
SP-25 Priority Needs - 91.215(a)(2).....	22
SP-30 Influence of Market Conditions – 91.215 (b) .....	28
SP-50 Public Housing Accessibility and Involvement – 91.215(c) .....	47
SP-55 Barriers to affordable housing – 91.215(h) .....	48
SP-60 Homelessness Strategy – 91.215(d) .....	51
SP-65 Lead-Based Paint Hazards – 91.215(i).....	55
SP-70 Anti-Poverty Strategy – 91.215(j).....	56
SP-80 Monitoring – 91.230 .....	57



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## SP-05 Overview

### *Strategic Plan Overview*

In 2010, the City of San Diego and the former Redevelopment Agency of the City of San Diego (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. In FY 2010-2019, the City's CDBG Program was to receive an estimated \$78 million in escalating repayments under the CDBG Repayment Agreement. With the dissolution of redevelopment in California in 2012, the State of California Department of Finance (DOF) suspended approval of the payments, leaving \$64 million in outstanding debt repayment 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 the former RDA.

Two debt repayment schedules provide for the Successor Agency to pay the outstanding \$64 million in CDBG Repayment Funds and the \$151 million in Long-Term Miscellaneous CDBG Debt, bringing the total repayments to the City to \$215 million. The Successor Agency repayments, though, are subject to approval by the DOF as part of each annual Successor Agency ROPS process. The funds repaid are CDBG "Program Income."

The City worked with various community stakeholders and the City's Consolidated Plan Advisory Board (CPAB) to create recommendations for programs to utilize the FY 2018 portion of the Successor Agency repayments. Development of these programs was approved by the Council in Resolution No. R-310811, effective December 16, 2016, collectively referred to as the "Reinvestment Initiative."

The second Substantial Amendment is required to address the anticipated \$17 million in FY 2018 Successor Agency repayments and incorporate the programs in the Reinvestment Initiative.

The anticipated FY 2018 Successor Agency repayments were included in ROPS 11. The DOF has until April 15, 2017, to make a determination regarding the enforceable obligations listed in ROPS 11. Because funds from the Successor Agency repayments could be made available to the City's CDBG Program as early as July 1, 2017, FY 2018 Reinvestment Initiative projects and programs have been identified to expend these funds. However, it is possible the DOF will disapprove all or a portion of such repayment obligations for FY 2018, or any subsequent fiscal year, and the City will not receive all or a portion of such scheduled repayments.

The second Substantial Amendment will also revise how the City allocates other reprogrammed funds and general program income to provide for greater flexibility in meeting the six (6) Con Plan goals. The current Con Plan indicates reprogrammed funds and general program income will be directed to City Projects. This second Substantial Amendment will allow for reprogrammed funds

and general program income to be directed, at the City's discretion, to City Projects, Homeless Projects, Affordable Housing Projects, and other projects fulfilling one or more of the City's six (6) Con Plan goals.

This second Substantial Amendment to the FY 2015–FY 2019 Con Plan does not alter the six (6) Con Plan goals. The Strategic Actions have been updated to include additional information that reflects the changes proposed by the Substantial Amendment. The new information can be found under the “Substantial Amendment Updated Information” section below.

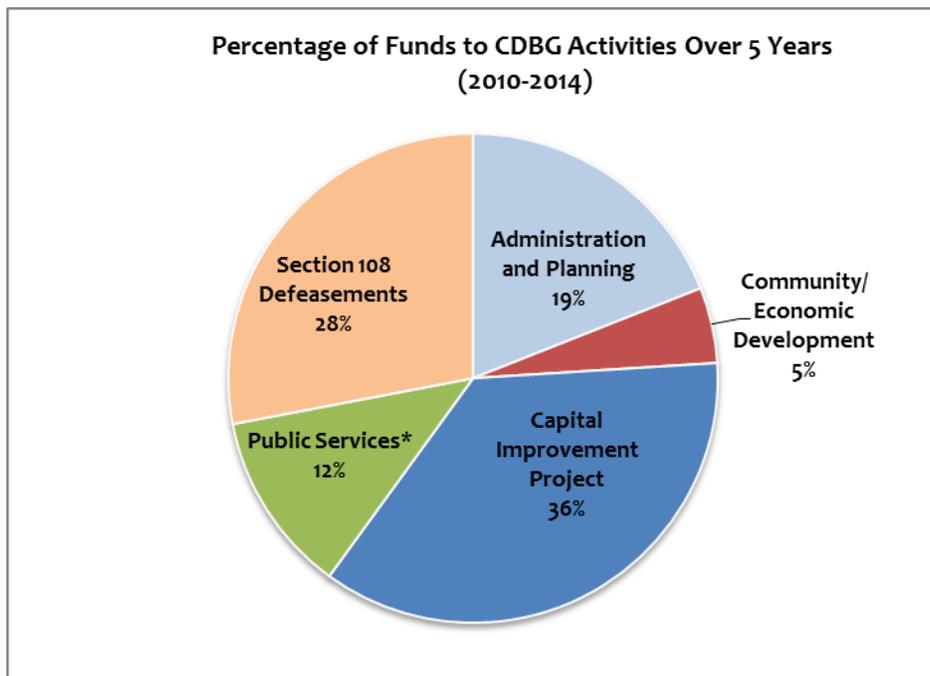
The six Consolidated Plan Goals represent high priority needs for the City of San Diego and serve as the basis for the Strategic Actions the Community Development Division will use to meet these needs. These goals are listed below in no particular order or ranking:

- Enhance the City's economic stability and prosperity by increasing opportunities for job readiness and investing in economic development programs.
- Strengthen neighborhoods by investing in the City's critical public infrastructure needs.
- Improve housing opportunities by creating and preserving affordable rental and homeowner housing in close proximity to transit, employment and community services.
- 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.
- Invest in community services and nonprofit 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.
- Meet the needs of persons with HIV/AIDS and their families through the provision of housing, health, and support services.

The City's Consolidated Plan update coincides with the development of the first year Action Plan and the annual Request for Proposal (RFP) process. As such, the first-year Action Plan will continue the standard practice of allocating CDBG funds to projects based on the RFP process. The subsequent Action Plans will incorporate the **Strategic Actions** listed below:

1. Program Development, Directing Investment, and Influencing Outcomes
2. Leverage and Geographic Targeting
3. Increasing Administrative Efficiencies

**1. Program Development, Directing Investment, and Influencing Outcomes - Looking Back**



**Exhibit 21: CDBG Five-Year Funding History**

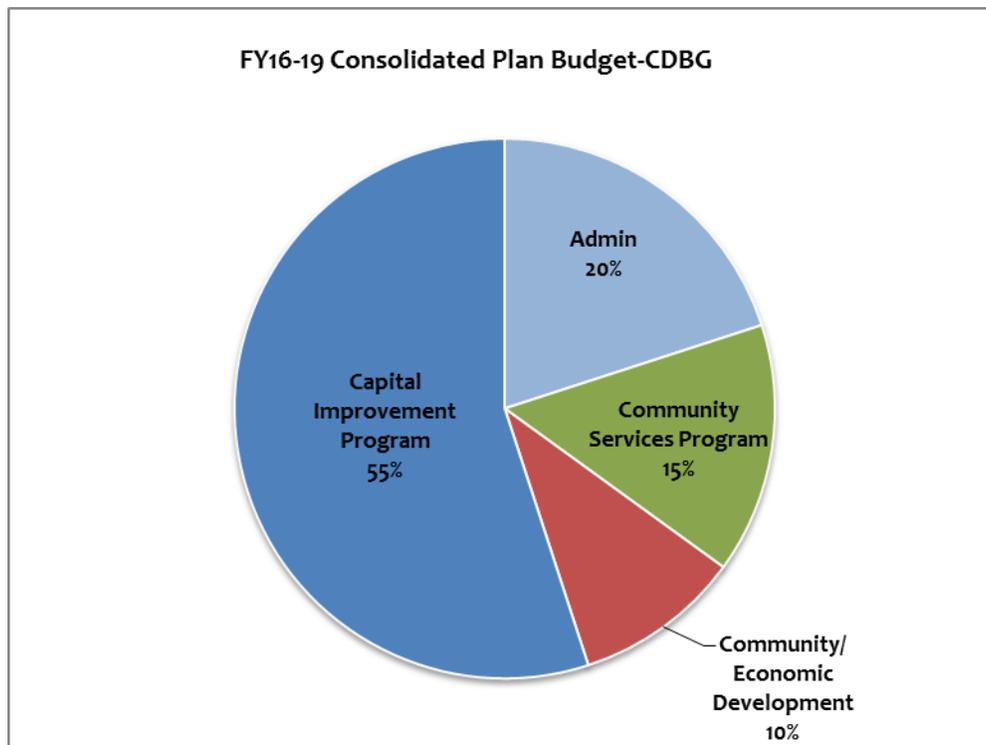
\*The City of San Diego annually commits the maximum of 15% to public service projects; however some projects complete with reduced budgets, withdraw, or are cancelled due to eligibility determinations.

Community Development Division staff analyzed all CDBG activities as funded in FY 2010–2014. Nearly 300 activities were divided among the five predominant categories of eligible activities. Section 108 Loan Defeasement refers to CDBG funds that are used to pay City debt incurred from HUD. The last year CDBG funds were allocated to this activity was FY 2013.

**Table 81 – 2010-2014 CDBG Funding Averages**

Funds to CDBG Activities Over 5 YR (2010-2014)		
Administration and Planning	19%	\$17,326,737
Community/Economic Development	5%	\$4,522,082
Capital Improvement Projects	36%	\$32,613,135
Public Services	12%	\$11,250,502
Section 108 Loan Defeasements	28%	\$25,597,014
<b>Total</b>	<b>100%</b>	<b>\$91,309,471</b>
5 YR (2010-2014) Average Funding by CDBG Activities		
Community/Economic Development		\$904,416
Capital Improvement Projects		\$6,522,627
Nonprofit		\$5,271,035
City		\$1,564,490
Public Services		\$2,225,101

**Table 81: 2010–2014 CDBG Funding Averages**



**Exhibit 22: CDBG FY 2016–2019 Budget**

**Table 82 – FY16-19 CDBG Budget Recommendations**

Fiscal Year 2016-2019 Annual Budgetary Priorities (up to %)		
*Illustrative Estimate Only	\$11,000,000	
Administration and Planning	20%	\$2,200,000
Public Services	15%	\$1,650,000
Community/Economic Development	10%	\$1,100,000
Capital Improvement Projects	55%	\$6,050,000
Nonprofit	40%	\$2,420,000
City	60%	\$3,630,000
Total	100%	*\$11,000,000

**Table 82: FY 2016–2019 CDBG Budget Recommendations**

**Overview (part 2)**

Substantial Amendment Updated Information

In anticipation of additional resources being added to the City’s CDBG Program, the City proposes to stabilize annual CDBG entitlement resources at \$12,500,000 for the term of this Consolidated Plan through FY 2019. As such, the budgetary priorities related to the existing eligible CDBG funding categories will not change and the final amount added from the anticipated CDBG Repayments will be determined each year when the City’s annual CDBG entitlement allocation from HUD is known.

Additionally, two categories have been added to the annual budgetary priorities for the CDBG entitlement portion. These categories are called (1) Challenge Grants and (2) Sustainability grants for nonprofits. The Challenge Grants are a subset of the Public Service category and are designed to target resources to serve highly vulnerable populations creating youth workforce opportunities, services to Veterans, financial literacy programs, and social enterprise opportunities.

It is important to note that the amount of funds needed for the Annual Stabilization amount will vary from year to year based on the City’s actual annual CDBG Entitlement Allocation.

The table below shows budget estimates by CDBG category for the stabilized amount of \$12,500,000 and an REI allocation of \$2,000,000 for the Challenge Grant and Sustainability budgetary categories:

**CDBG Entitlement Budget Stabilized**

Categories	Stabilized CDBG Entitlement		Reinvestment Initiative Program Income
	%	Budget (\$)	Budget (\$)
<b>Administration &amp; Planning</b>	<b>20%</b>	<b>\$2,500,000</b>	
<b>Public Services</b>	<b>15%</b>	<b>\$1,875,000</b>	
<i>Nonprofit Public Services</i>	30%	\$556,992	
<i>Homeless Set-Aside</i>	70%	\$1,318,078	
<i>Challenge Grant</i>			<b>\$1,000,000</b>
<b>Community/Economic Development</b>	<b>10%</b>	<b>\$1,250,000</b>	
<b>Capital Improvement Program</b>	<b>55%</b>	<b>\$6,875,000</b>	
<i>Nonprofit Facilities &amp; Housing Rehab</i>	40%	\$2,750,000	
<i>City Neighborhood Infrastructure</i>	60%	\$4,125,00	
<i>Sustainability Rehab</i>			<b>\$1,000,000</b>
<b>Total</b>	<b>100%</b>	<b>\$12,500,000</b>	<b>\$2,000,000</b>

**Budgets by Categories for Nonprofits**

Public Services	\$556,922
Community/Economic Development	\$1,250,000
Nonprofit Facilities & Housing Rehabilitation	\$2,750,000
Challenge Grant	\$1,000,000
Sustainability	\$1,000,000

Additional administrative resources will be provided to continue the City's **Nonprofit Accelerator Program**, which was designed to expand the capacity of new and small nonprofits to effectively utilize the City's CDBG resources, as well as attract private funding.

Currently, the majority of the City of San Diego's CDBG entitlement funds are allocated through an annual competitive application process for five CDBG categories of eligible activities: Public Services, Challenge Grant, Community/Economic Development, Nonprofit Capital Improvement Projects, which includes Housing Rehabilitation, and Sustainability projects. The total number and types of

projects funded in each category varies year to year based on the number and types of applications submitted annually. The City has also identified additional budgetary priorities, known collectively as the "Reinvestment Initiative" (or "REI" for short), which cover a broad range of activities to address one or more of the six Con Plan goals. Allocation of the REI-related funds may be accomplished through a variety of means.

In an effort to direct critical HUD resources and make demonstrable progress toward achieving the six Consolidated Plan Goals, the Community Development Division will develop the following programs with budgetary considerations:

**Community Services:** Activities funded through this program are comprised of public services that provide direct services to help the City's most vulnerable populations. Following HUD regulatory guidance, funds are prioritized for new services and for services that demonstrate a quantifiable increase in the level of service or access to services. Upon the availability of REI-related funds, the City may opt to fund public services under the Challenge Grant category that specifically target select vulnerable populations identified by the City on a year-to-year basis, such as veterans, youth, entry-level/trainee workforce, small business owners, etc.

Council Policy 700-02 dedicates a portion of Community Services funding for services to assist the homeless population. Pursuant to San Diego City Council Resolution No. R-310812, adopted December 16, 2016, up to \$1,318,078 in CDBG Public Services funds are set aside for homeless programs and services.

Allocations for FY 2016–2019: Annual CDBG program expenditures for public services are capped at a maximum of **15%** of annual entitlement and REI funds.

Method for Distribution: Requests for Qualifications and/or Requests for Proposals will be released annually and proposals forwarded to the Consolidated Plan Advisory Board for scoring.

**Years 3 and 4 Recommendation:** Public Service activities will be funded through the competitive FY 2018 and FY 2019 CDBG application process. Community Development Division staff will continue to develop Community Service Program material to ensure regulatory compliance, support the Consolidated Plan Goals, and to provide technical assistance and outreach to nonprofits and other community organizations to better utilize the CDBG funds.

**Community/Economic Development:** Activities funded through this program will create economic opportunities including job readiness and business/microenterprise development. The City will explore options for creating new economic development programs that complement existing incentives and support the City of San Diego's Economic Development Strategy. Examples include funding services in support of economic development activities such as technical assistance to businesses, commercial rehabilitation, infrastructure to assist businesses, and job training. CDBG assistance to these types of activities requires adherence to strict regulations pertaining to public benefit standards (on aggregate and project level) and low to moderate income job creation and retention. Historically, the City has also funded community development activities such as direct homeownership assistance and code enforcement. Other economic development activities may include small business revolving loan programs, business accelerators and incubators, etc.

### **Overview (part 3)**

Allocations FY 2016–2019: Annual CDBG program investment of up to **10%** of annual entitlement funds. As available and subject to the City’s discretion on a year-to-year basis, REI-related funds may supplement the investment in CED activities.

Method for Distribution: Requests for Qualifications and/or Requests for Proposals will be released annually and proposals forwarded to the Consolidated Plan Advisory Board or other ad hoc committees for scoring and direct funding as applicable. The City may also opt to directly select and enter into MOUs with qualified organizations to implement community and economic development programs, subject to applicable laws, regulations, and policies.

**Years 3 and 4 Recommendation:** Community/Economic Development activities will be funded through the competitive FY 2018 and FY 2019 CDBG application process. Community Development Division staff will develop Community/Economic Development Program material to ensure regulatory compliance, support the Consolidated Plan Goals, and to provide technical assistance and outreach to nonprofit and other community organization to better utilize CDBG funds. Staff will work with other City Economic Development Programs, including those outlined in the City of San Diego’s Economic Development Strategy, to develop new initiatives for CDBG funding.

**Capital Improvement Program:** This program will strengthen neighborhoods by dedicating funds for:

- *Investing in the City’s critical public infrastructure needs to support neighborhood safety and improved livability such as sidewalks, streetlights, and other community enhancements.*

The City of San Diego’s Capital Improvements Program Review and Advisory Committee (CIPRAC) reviews proposed Capital Improvements Program (CIP) projects and develops budget and project prioritization recommendations to the Mayor. Citywide coordination of capital project planning can increase the cost effectiveness and lead to more efficient infrastructure investments.

CIPRAC has developed a five-year CIP plan (FY 2015 through 2019) to assess City infrastructure needs comprehensively, identify existing and new infrastructure needs, discuss service levels, provide a financial assessment, and provide a five-year list of all capital projects based on the following prioritization factors:

- Risk to health, safety and environment, and regulatory or mandated requirements
- Asset condition, annual recurring costs and asset longevity
- Community investment and economic prosperity
- Level and quality of service
- Sustainability and conservation
- Funding availability
- Project readiness
- Multiple category benefit and bundling opportunities

To capitalize on this work, a portion of CDBG annual entitlement funds will be allocated to projects on the CIP prioritization list in low and moderate income CDBG eligible census tracts, particularly those census tracts identified through geographic targeting of resources to the most underserved areas. As available and subject to the City's discretion on a year-to-year basis, REI-related funds may supplement the investment in the capital improvement program.

**Overview (part 4)**

**Years 3 and 4 Recommendation:** Community Development Division staff will work with CIPRAC to determine the most efficient and effective methods for collaboration, ensure regulatory compliance, support the Consolidated Plan Goals, and provide technical assistance and outreach to City departments and community groups. Capital Improvement Program activities at nonprofit facilities will be funded through the competitive FY 2018 and FY 2019 CDBG application process. The focus will be on critical public infrastructure needs to support neighborhood safety and improved livability such as sidewalks, streetlights, and other community enhancements.

- *Funding critical improvements to nonprofit public facilities that will improve or expand service delivery to serve the City's most vulnerable populations.*

Nonprofit public facilities serve a wide range of needs for the City's most vulnerable populations. Activities include rehabilitation improvements to facilities that are owned or leased (long-term) by a nonprofit and function to serve low- to moderate-income City residents. In addition to improving and expanding services, capital funds are used to ensure that these facilities are accessible to all, meet health and safety standards, and promote and support the City's sustainability and economic development efforts.

**Years 3 and 4 Recommendation:** Capital Improvement Program activities for nonprofit facilities will be funded through the competitive FY 2018 and FY 2019 CDBG application process. Community Development Division staff will create nonprofit facilities needs assessment and establish standards for eligible expenses. Program material will be developed to ensure regulatory compliance, consistency with the Consolidated Plan Goals, and provide technical assistance and outreach to nonprofit organizations.

- *Establish housing rehabilitation programs that support housing stabilization such as emergency repairs, public health and safety issues, weatherization, and energy efficiency improvements.*

Preserving and maintaining the City's housing stock, particularly in economically disadvantaged and older neighborhoods, is critical for neighborhood stabilization. Rehabilitation for owner-occupied and rental housing that is focused on emergency repairs, aging-in-place modifications to increase accessibility, and improving energy efficiency and other sustainability achievements will help create safe and cost-effective living environments for low- and moderate-income households and tenants.

**Years 3 and 4 Recommendation:** Capital Improvement Program activities for housing rehabilitation will be funded through the competitive FY 2018 and FY 2019 CDBG application process. Community Development Division staff will create Housing Rehabilitation Program procedures, needs

assessment, inspection protocols, and establish standards for eligible expenses. Staff will also create materials that ensure regulatory compliance, support the Consolidated Plan Goals, and provide technical assistance and outreach to housing providers, contractors, and community organizations.

Allocations FY 2016–2019: Annual CDBG program investment of up to **55%** of annual entitlement funds. A portion of these funds (up to 60%) will be allocated to critical City infrastructure projects and a portion (up to 40%) will be dedicated to improve nonprofit facilities as well as to fund housing rehabilitation programs. As available and subject to the City’s discretion on a year-to-year basis, REI-related funds may supplement the investment into the capital improvement program.

Method for Distribution: Requests for Qualifications and/or Requests for Proposals will be released annually and proposals forwarded to the Consolidated Plan Advisory Board or other ad hoc committees for scoring and direct funding for capital improvement projects at nonprofit facilities as applicable. Investments in City infrastructure using REI-related funds will be coordinated through CIPRAC.

**Reinvestment Initiative:** Investments funded with REI-related Program Income may range the full gamut of CDBG-eligible activities. The allocation of funds will be consistent with the goals and objectives of the City’s FY 2015–2019 Con Plan and priority needs identified therein, City Council Policy 700-02, and regulatory caps established by HUD. Allocations will be vetted through appropriate channels and subject to approval by the City Council. REI focus areas include the following:

- **Affordable Housing/Homelessness:** Envisions investment in affordable housing programs that support the rehabilitation of multi-family units and single-family homes, encourage homeownership, and address the needs of the homeless. The San Diego Housing Commission may play a key role in the programmatic implementation of some or all of these housing programs.
- **Inclusive Economic Growth and Workforce Development:** Envisions investment in programs and activities such as: workforce development for at-risk youth and other identified populations; accelerators/incubators and alternative loan/investment funds in conjunction with consulting services to launch and support small businesses; and social enterprises.
- **Sustainability Programs:** Envisions investment in programs, projects, and activities that promote energy sufficiency, waste reduction and recycling, water conservation, and other efforts that contribute to achievement of the sustainable goals and objectives of the City’s Climate Action Plan (CAP). Funds may be directed towards nonprofit facilities, City capital projects and facilities, low- and moderate-income multi-family and single-family homes, and small business sites. As feasible, such investments would be coupled with job training and employment opportunities for highly vulnerable populations, such as youth and veterans, who are interested in sustainability-related careers.
- **Public Infrastructure, Capacity Building, and Public Services:** Envisions investment in programs, projects, and activities that improve facilities benefitting the public (such as City parks or recreation centers or nonprofit facilities used to provide services to low- and moderate income residents or businesses), launch and nurture local nonprofit organizations to increase and diversify their capacity individually and in the aggregate to provide services

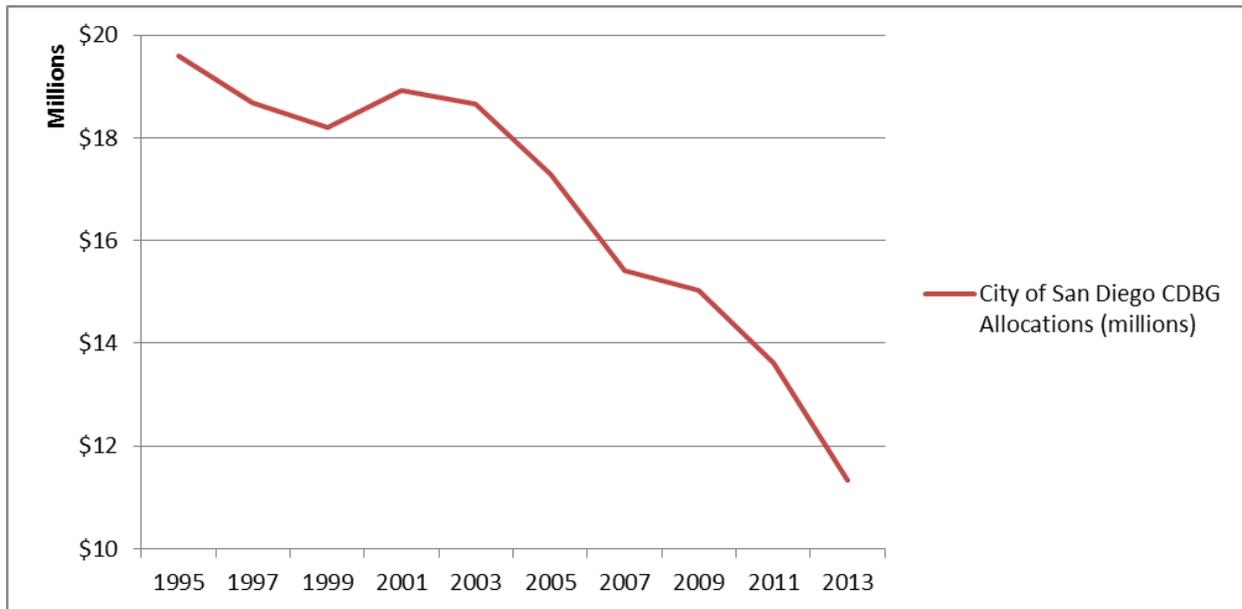
and successfully compete for local and other funding, and support new and/or increased public services targeting both general low- and moderate-income residents and businesses and select vulnerable populations identified by the City on a year-to-year basis, such as veterans, youth, entry-level workforce, small business owners, etc. (i.e., Challenge Grant).

Method of Distribution: Requests for Qualifications and/or Requests for Proposals will be released annually and proposals forwarded to the Consolidated Plan Advisory Board or other ad hoc committees for scoring and direct funding as applicable. The City may also opt to directly select and enter into MOUs with qualified organizations or service level agreements with City departments to implement programs and activities, subject to applicable laws, regulations, and policies. Investments in City infrastructure using REI-related funds will be coordinated through CIPRAC.

Years 4 and 5 Recommendation: Since REI-related funds are subject to California Department of Finance review and approval on an annual basis and the amount to be received by the City will vary from year to year, it is difficult to project and recommend future activities. Specific Reinvestment Initiative activities and allocation amounts will be described in each Annual Action Plan to detail the actual REI-related funds received for that particular year and will be subject to City Council review and approval.

The City's CDBG Program annually reprograms funds from projects that complete with reduced budgets, withdraw, or are canceled due to ineligibility determinations. In addition, the CDBG Program may have general Program Income or remaining unallocated entitlement funds based upon the allocation recommendations approved annually by Council. It is critical that these funds are redistributed to activities that can expend funds quickly. At least annually, these funds will be reinvested, at the City's discretion, to City CIP projects, homeless facility rehabilitation and acquisition, affordable housing projects, and other projects fulfilling one or more of the City's six (6) Con Plan Goals.

## 2. Leverage and Geographic Targeting



**Exhibit 23: City of San Diego CDBG Annual Allocations**

### **Overview (part 5)**

Since 1995, City of San Diego’s CDBG Entitlement Allocation from HUD has decreased by 42% from roughly \$19.5 million in 1995 to \$11.4 million in 2013. Given the current environment of diminishing federal resources for HUD community development programs, it is clear the City of San Diego must make the most of its limited CDBG and HUD resources.

The City’s CDBG Program anticipates receiving approximately \$230 million in program income over 30 years from the former Redevelopment Agency as debt repayment. As these funds become available, their allocation will be included in the Annual Action Plans and be consistent with the goals, objectives, and priorities of the City’s FY 2015–2019 Con Plan, City Council Policy 700-02, and HUD regulatory caps. Allocations will be vetted through appropriate channels and subject to City Council approval.

### **Leverage**

Leverage, in the context of the City’s four HUD Programs, means bringing other local, state, and federal financial resources together in order to maximize the reach and impact of the City’s HUD Programs. HUD, like many other federal agencies, encourages the recipients of federal monies to demonstrate that efforts are being made to leverage other funds in order to achieve greater results. Leverage is also a way to increase project efficiencies and benefit from economies of scale that often come with combining sources of funding for similar or expanded scopes of services.

Funds will be considered as “leveraged” if a financial commitment toward the costs of a project from a source, other than the originating HUD Program, are documented.

**Years 4 and 5 Recommendation:** HUD Programs staff will identify and explore leveraging opportunities, such as New Market Tax Credits, other federal resources, and local private investments. Additional mechanisms to enhance the sustainability of HUD Program resources, such as establishing revolving loans, will be examined.

### **Geographic Targeting**

Geographic Targeting is a way for the City to help stabilize and improve neighborhoods in San Diego by directing HUD Program funds, including capital improvement, economic development, and community services, to specific areas identified by an analysis. These areas may experience higher unemployment, lower income levels, and other such economic and demographic indicators at rates that demonstrate a higher level of need than other areas. Such analysis would also take into account “existing conditions” like housing stock, public infrastructure, and facilities. While HUD Programs are primarily intended to serve individuals and areas that are low to moderate income as defined by HUD, the City’s Geographic Targeting strategy will use data to create impact in geographic areas with the most need.

#### ***Overview (part 6)***

There are numerous economic and social indicators that could be used, as well as several methodologies to identify areas. However, best practices indicate that the keys to implement a targeting system are:

- Identify accessible, readily available, and recurring data sets that focus on smaller geographic areas (such as census tracts and/or census blocks)
- Identify existing data describing existing conditions and public facilities priorities of low to moderate income neighborhoods (such as the City’s Community Plans, Facilities Financing Plans, and Capital Improvement Plans)
- Work with those that have expertise in the pertinent fields such as geographic analysis, demography, and economics
- Provide opportunity for public participation throughout the process

HUD allows entitlement grantees to develop approaches to address economic development and housing needs within a designated neighborhood known as Neighborhood Revitalization Strategy Areas (NRSAs). NRSAs must be contiguous and located in primarily residential neighborhoods that contain a high percentage of low to moderate income households.

**Years 4 and 5 Recommendation:** The City’s FY 2015–2019 Consolidated Plan Year 1 Recommendation outlined a strategy to incorporate Geographic Targeting as a way to help stabilize and improve neighborhoods by directing investment of HUD resources to geographic areas with the highest need. After consultation with local subject matter experts and analysis of local data for a variety of indicators (such as: poverty, rent burden, violent crime and unemployment), a Summary of Findings was presented to the CPAB at the May 13, 2015 and June 10, 2015 meetings. The Summary of Findings was also presented to the Public Safety and Livable Neighborhoods (PSLN) Committee of the City Council on July 29, 2015 as an informational item. The Geographic Targeting initiative identified six high need Community Planning Areas. These six Community Planning areas are: Barrio

Logan, City Heights, Encanto, Linda Vista, San Ysidro, and Southeastern. The Geographic Targeting initiative has been incorporated into the scoring criteria used to evaluate CDBG-funded project proposals and will be used in the competitive FY 2018 and FY 2019 CDBG application process. Geographic Targeting will also be considered when allocating Reinvestment Initiative programs and activities.

For additional information, please see the following link for a copy of the Geographic Targeting Summary of Findings:

[www.sandiego.gov/sites/default/files/legacy/cdbg/pdf/2015/geotargetingsummaryfindings1.pdf](http://www.sandiego.gov/sites/default/files/legacy/cdbg/pdf/2015/geotargetingsummaryfindings1.pdf)

### 3. Increasing Administrative Efficiencies

The Community Development Division is responsible for ensuring the City is in compliance with all rules and regulations associated with all four HUD entitlement grants: CDBG, HOME, ESG, and HOPWA. As such, this Strategic Action is focused on ways to increase operational efficiencies of HUD Programs through enhanced coordination, technical assistance, and effective oversight.

- *Continue to refine the Request for Qualification (RFQ)/Request for Proposal (RFP) Process*

The FY 2015 CDBG application process was separated into RFQ and RFP phases in order to ease the burden on applicants and reviewers. The RFQ was largely focused on determining the capacity of an organization to spend CDBG funds in an efficient manner. The RFP was designed to ask the most pertinent questions regarding each applicant's proposed CDBG project. All categories or types of CDBG projects, such as public service, community/economic development, and capital improvements are reviewed through this singular RFP process.

**Years 4 and 5 Recommendation:** Community Development Division staff will continue to refine and restructure the RFQ/RFP process and timeline in order to give applicants and reviewers more time for completion. In FY 2017, the Community Development Division launched the Economic Development Grants Management System (EDGrants), a customer relationship management platform, which will be used to administer the RFQ/RFP processes, execute contracts with CDBG funding subrecipients, monitor subrecipient performance, and generate program data and compliance reports. Staff will continue to use and refine this cloud-based tool to streamline the management of CDBG funds and facilitate the CDBG applicant/subrecipient experience.

- *Evaluating Performance and Enhanced Monitoring and Compliance of all four entitlement programs*

In FY 2017, Community Development Division staff launched the CDBG Subrecipient Performance Report Card to measure the performance of all CDBG projects from FY 2015 and forward. The Report Card highlights performance in areas such as financial management, timeliness of expenditures, and outcome measures. Applicant organizations and CPAB members have access to the Report Cards online to facilitate self-evaluation and inform future funding decisions. HUD has refined guidance and updated regulations to better define the City of San Diego's role in

administering all four entitlement programs. To ensure that the City and all subrecipients are in full compliance with each entitlement program's rules and regulations, as well as with additional overarching federal and reporting requirements, the Community Development Division will need to add additional resources to establish a Monitoring and Compliance focus.

***Overview (part 7)***

**Years 4 and 5 Recommendation:** Community Development Division staff will continue to work with CPAB members to refine the Report Card as necessary to gauge performance in a number of key areas and to develop expanded staff expertise in federal requirements, such as Section 3, the Davis-Bacon Act, Environmental Review, and programs like HOME, HOPWA, ESG, and Continuum of Care.

**HOME, HOPWA, and ESG Budgets**

The six Consolidated Plan Goals are further reflected in the HOME, HOPWA, and ESG funding priorities.

HOME most appropriately meets the goal to improve housing opportunities by creating and preserving affordable rental and homeowner housing in close proximity to transit, employment and community services.

HOPWA most appropriately meets the goal to meet the needs of persons with HIV/AIDS and their families through the provision of housing, health, and support services.

ESG most appropriately meets the goals to 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.

Table 83 – FY16-19 Projected HOME Budget

HOME Projected FY16-19 Annual Budgetary Priorities (based on FY2015)		
FY2015 Budget	\$9,735,000	
FY2015 Allocation	\$4,386,711	
Anticipated Program Income	\$ 2,200,000	
Prior Year Funding	\$ 3,148,289	
Rental Housing	58%	\$5,700,000
Homeownership	24%	\$2,340,000
Owner Occupied Rehab	5%	\$495,000
Tenant-based Rental Assistance	3%	\$315,000
Administration	10%	\$885,000
<b>Total</b>	<b>100%</b>	<b>\$9,735,000</b>

Table 83: FY 2016–2019 Projected HOME Budget

Table 84 – FY16-19 Projected HOPWA Budget

HOPWA Projected FY16-19 Annual Budgetary Priorities (based on FY2015)		
FY2015 Budget	\$2,933,928	
FY2015 Allocation	\$2,837,753	
Prior Year Funding	\$ 96,175	
Tenant-based Rental Assistance	24.9%	\$732,000
Transitional Housing	24.7%	\$725,345
Supportive Services	20.1%	\$ 588,719
Licensed Residential Care Homes	12.3%	\$361,179
Emergency Housing	3.4%	\$99,761
Recovery Housing	3.3%	\$96,621
Units Provided in Permanent Housing Facilities Developed, Leased, or Operated with HOPWA Funds	1.6%	\$48,226
Technical Assistance	0.3%	\$9,456
Administration and Planning	9.3%	\$272,621
<b>Total</b>	<b>100%</b>	<b>\$2,933,928</b>

Table 84: FY 2016–2019 Projected HOPWA Budget

Table 85 – FY16-19 Projected ESG Budget

ESG Projected FY16-19 Annual Budgetary Priorities (based on FY2015)		
FY2015 Budget	\$920,222	
Emergency Shelter	55%	\$510,723
Rapid Rehousing	37%	\$340,483
Administration	8%	\$69,016
<b>Total</b>	<b>100%</b>	<b>\$920,222</b>

Table 85: FY 2016–2019 Projected ESG Budget

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

**Geographic Area**

Table 1 - Geographic Priority Areas

<b>1</b>	<b>Area Name:</b>	<b>Citywide</b>
	<b>Area Type:</b>	Local Target area
	<b>Other Target Area Description:</b>	
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	Other
	<b>Other Revital Description:</b>	Location
	<b>Identify the neighborhood boundaries for this target area.</b>	Not applicable
	<b>Include specific housing and commercial characteristics of this target area.</b>	Not applicable
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	Not applicable
	<b>Identify the needs in this target area.</b>	Not applicable
	<b>What are the opportunities for improvement in this target area?</b>	Not applicable
<b>Are there barriers to improvement in this target area?</b>	Not applicable	

**General Allocation Priorities**

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

Year One of the Five Year Consolidated Plan allocates federal entitlement dollars according to Low to Moderate Census Tracts based on the 2000 Census without target areas.

During Year One, a City-led effort by the Community Development Division will be undertaken to determine the most impactful place-based allocation methodology via community input. A place-based strategy will encourage larger allocations to communities with higher community development needs.

The effort will include the formation of a group of practitioners with expertise in areas such as data analysis, community indicators, and geographic analysis to work on methodologies for a sustainable approach to geographic targeting. This group will liaise with beneficiaries and stakeholders to frame the understanding of place-based solutions; educate on nexus and need; and confirm consensus on appropriate indicators such as poverty, neighborhood blight, deteriorated housing, and physical and

economic distress. The Community Development Division will report the findings and make recommendations to the CPAB and City Council.

***HUD-Approved Neighborhood Revitalization Strategy Areas***

HUD allows entitlement grantees to develop approaches to address economic development and housing needs within a designated neighborhood. One approach is the Neighborhood Revitalization Strategy Area (NRSA).

NRSA benefits include:

- Job creation or retention effort focused on the selected neighborhood may be classified as meeting the LMI area benefit national objective requirements.
- Aggregation of housing units for which CDBG funds obligated during each program year and treat them as a single structure.
- Economic development activities may be excluded from the aggregate public benefit standards.
- All public services offered within the NRSA and carried out as part of qualified projects under the NRSA by a Community-Based Development Organization (CBDO) are exempt from the public services cap.

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

### Priority Needs

Table 2 - Priority Needs Summary

1	<b>Priority Need Name</b>	Affordable Housing and Public Services
	<b>Priority Level</b>	High
	<b>Population</b>	Persons with HIV/AIDS
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	HIV/AIDS housing, health, and support services
	<b>Description</b>	"The rate of new HIV/AIDS cases has decreased or leveled off since 1992. However, the number of people living with AIDS continues to increase each year (although at a slower or level rate) as people with AIDS live longer. Four hundred forty-one (441) new cases were reported in San Diego County between January 1, 2011, and December 31, 2012." People diagnosed with HIV/AIDS face financial hardships due to unmet medical care needs and medical costs that burden their economic stability.
	<b>Basis for Relative Priority</b>	After broad community and stakeholder outreach, the City narrowed its focus to six goals all of which are HIGH priority. Qualitative feedback collected through the community survey, community forums, stakeholder meeting, and public hearings, that were substantiated by quantitative data reported in the Needs Assessment and Market Analysis, served as the basis for priority need.
2	<b>Priority Need Name</b>	Affordable Housing
	<b>Priority Level</b>	High

<b>Population</b>	<p>Extremely Low Low Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children veterans Persons with HIV/AIDS Victims of Domestic Violence Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families</p>
<b>Geographic Areas Affected</b>	Citywide
<b>Associated Goals</b>	Creating and preserving affordable housing
<b>Description</b>	<p>41% of San Diego households (196,560 households) are extremely low-income, very low-income, or low-income, with incomes ranging from 0–80% of Area Median Income (AMI). 40% of homeowners and 50% of renters paying more than 30% of their income towards housing costs. 22% of households (102,408 households) are severely cost burdened, with 61,028 renter households and 41,380 homeowners paying more than 50% of their income towards housing costs.</p> <p>The Housing Choice Voucher (Section 8) Program currently serves 14,664 extremely low and very low-income households, with 53% of recipients' income ranging between \$10,000 and \$19,999 and a waiting list containing 37,518 families There are currently 76 public housing units in San Diego, with a waiting list of 22,980 families.</p>
<b>Basis for Relative Priority</b>	After broad community and stakeholder outreach, the City narrowed its focus to six goals all of which are HIGH priority. Qualitative feedback collected through the community survey, community forums, stakeholder meeting, and public hearings, that were substantiated by quantitative data reported in the Needs Assessment and Market Analysis, served as the basis for priority need.

<b>3</b>	<b>Priority Need Name</b>	Homelessness and Public Services
	<b>Priority Level</b>	High
	<b>Population</b>	Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Victims of Domestic Violence Unaccompanied Youth
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Homelessness
	<b>Description</b>	Although San Diego is the nation's eighth largest city, it ranks third in homeless population size, with only New York City and Los Angeles having larger homeless populations.  The 2013 Point-in-Time count found that 5,733 homeless persons were living in the City of San Diego, and over half (3,115 individuals) were unsheltered and living in a place not meant for human habitation
	<b>Basis for Relative Priority</b>	After broad community and stakeholder outreach, the City narrowed its focus to six goals all of which are HIGH priority. Qualitative feedback collected through the community survey, community forums, stakeholder meeting, and public hearings, that were substantiated by quantitative data reported in the Needs Assessment and Market Analysis, served as the basis for priority need.
<b>4</b>	<b>Priority Need Name</b>	Public Services and Public Facilities
	<b>Priority Level</b>	High
	<b>Population</b>	Families with Children Unaccompanied Youth Elderly Frail Elderly Non-housing Community Development Other
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Services/facilities serving vulnerable population

	<b>Description</b>	Elderly households are more likely to be low-income, with 49% of households containing at least one person age 62 or older being extremely low-income, very low-income or low-income, with incomes ranging from 0–80% AMI, compared to 41% for the City. Elderly individuals are also more likely to be disabled, with 35% of elderly ages 65 or older considered disabled, compared to 9% of the total overall City population. 45% of households with children fall within low-, very low-, and extremely low-income households (0–80% Area Median Income (AMI)). 34,750 households fall within extremely low-income, very low-income, or low-income households (0-80% AMFI) and contain children 6 years of age or younger.
	<b>Basis for Relative Priority</b>	After broad community and stakeholder outreach, the City narrowed its focus to six goals all of which are HIGH priority. Qualitative feedback collected through the community survey, community forums, stakeholder meeting, and public hearings, that were substantiated by quantitative data reported in the Needs Assessment and Market Analysis, served as the basis for priority need.
<b>5</b>	<b>Priority Need Name</b>	Public Improvements and Infrastructure
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children Elderly Non-housing Community Development
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Public infrastructure needs
	<b>Description</b>	The deferred capital backlog for public improvements is estimated to exceed \$898 million for streets, facilities and storm drains; at \$478 million the highest need and greatest backlog of funding is for street improvements.

	<b>Basis for Relative Priority</b>	After broad community and stakeholder outreach, the City narrowed its focus to six goals all of which are HIGH priority. Qualitative feedback collected through the community survey, community forums, stakeholder meeting, and public hearings, that were substantiated by quantitative data reported in the Needs Assessment and Market Analysis, served as the basis for priority need.
6	<b>Priority Need Name</b>	Public Services and Economic Development
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children Persons with HIV/AIDS Victims of Domestic Violence Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with HIV/AIDS and their Families
	<b>Geographic Areas Affected</b>	Citywide
	<b>Associated Goals</b>	Job readiness and economic development
	<b>Description</b>	San Diego's "hourglass economy" contributes to the large population of low-wage earners and smaller choice of middle-income jobs and this issue is exacerbated by the slower job growth forecasted for self-sufficiency occupations. Employers providing self-sufficiency wages often expect applicants to have higher levels of education.
	<b>Basis for Relative Priority</b>	After broad community and stakeholder outreach, the City narrowed its focus to six goals all of which are HIGH priority. Qualitative feedback collected through the community survey, community forums, stakeholder meeting, and public hearings, that were substantiated by quantitative data reported in the Needs Assessment and Market Analysis, served as the basis for priority need.

***Narrative (Optional)***

San Diego is the nation's eighth largest city with the second largest population in California with over 1.3 million people. The community development needs faced in San Diego are significant, with many areas of overlap requiring cross-cutting, place-based solutions. The City is tasked both with determining the areas of greatest need, as well the areas in which community investment can have the greatest impact given the limited resources available.

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

After broad community and stakeholder outreach, the City narrowed its focus to six goals all of which are HIGH priority. Projects will only be considered for funding within the Consolidated Plan period if they address these high priority needs.

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

*Influence of Market Conditions*

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
Tenant Based Rental Assistance (TBRA)	As per Needs Assessment, severe cost burden is the greatest predictor of homelessness risk, with populations paying more than 50% of their income towards housing costs or having incomes at or below 50% AMI at greatest risk of becoming homeless.
TBRA for Non-Homeless Special Needs	As per the Needs Assessment, state and federal budget cuts to service providers providing HIV/AIDS services in the San Diego region has resulted in staff reductions and reduced service capacity for providers. Lack of part-time employment opportunities for those re-entering the job market, as well as affordable housing resources, are just a few of the barriers that persons living with HIV/AIDS face. High housing costs within San Diego make it difficult to transition program participants from HOPWA-funded housing into the private rental market without rental subsidies. This puts those living with HIV/AIDS at a higher risk of becoming homeless. Similarly to the elderly, as the population of those living with HIV/AIDS ages, there will be an increase in the number of those needing services, placing further strain on the already scarce resources.
New Unit Production	As per the Needs Assessment and the Market Analysis, 50% of renters are cost burdened paying more than 30% of their income towards housing costs. 22% of households (102,405 households) are severely cost burdened, with 61,030 renter households and paying more than 50% of their income towards housing costs. Further, the Section 8 waiting list consists of 37,518 families and the public housing wait list is 22,980 families. San Diego’s development landscape and the need for urban infill drives up the cost of development.
Rehabilitation	40% of homeowners pay more than 30% of their income towards housing costs, with the highest rates of incidence occurring for those earning 50–80% AMI (16,690 households), followed by those earning 80-100% AMI (11,225 households), with those earning 0–30% and 30–50% AMI experiencing somewhat equal cost burden (10,100 and 9,725 households, respectively). This is reflective of the fact that many households find themselves overextended in order to achieve homeownership in San Diego’s housing market. Further, 61% of San Diego’s housing stock was built prior to 1979.

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Acquisition, including preservation	As per the Needs Assessment and the Market Analysis, 50% of renters are cost burdened paying more than 30% of their income towards housing costs. 22% of households (102,405 households) are severely cost burdened, with 61,030 renter households and paying more than 50% of their income towards housing costs. Further, the Section 8 waiting list consists of 37,518 families and the public housing wait list is 22,980 families. Urban infill drives up the cost of development. Finally, 61% of San Diego’s housing stock was built prior to 1979.

**Table 3 – Influence of Market Conditions**

Demographics	Base Year: 2000	Most recent Year: 2012	% Change
Median Home Value	\$220,000	\$451,800	105%
Median Monthly Mortgage Cost	\$1,526	\$2,458	61%
Mortgage Cost 30% More of Household Income	58,361	84,492	45%
Median Gross Monthly Rent	\$763	\$1,312	72%
Gross Rent 30% or more of Household Income	97,549	128,242	31%

**Table 4 - (NA-10 ONLY) Housing Needs Assessment Demographics 2**

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

### ***Introduction***

The amount of overall federal entitlement funding significantly decreased during the last Consolidated Plan term. Therefore, the City anticipates an annual five percent reduction per program.

Please see Appendix AP-15: Expected Resources for FY15 Budget Priorities.

Non-Entitlement Resources include:

- Section 8 funds: The Housing Commission administers the Section 8 program for the City and provides rent subsidies to about 14,000 San Diego households. The City anticipates a minimum five percent reduction annually to Section 8 funding and therefore projects approximately \$709M for the Consolidated Plan period.
- Competitive McKinney-Vento Homeless Assistance Act funds and Shelter Plus Care: In June 2011, the County of San Diego Continuum of Care and the City of San Diego Continuum of Care merged into one regional CoC. The resulting Regional Continuum of Care Council (RCCC) receives approximately \$15M annually to prevent and alleviate homelessness throughout the region. During the Consolidated Plan period, the RCCC will become HEARTH Act compliant by creating a new governance structure, creating and instituting a coordinated assessment tool, reporting results, and aligning itself with the Federal Plan, Opening Doors. In January 2017, the RCCC merged with the Regional Task Force on the Homeless to form a singular organization in the community to lead San Diego's efforts on the issue of homelessness.
- Affordable Housing Fund (AHF): The AHF is a permanent and annually renewable funding source to help meet the housing assistance needs of the City's very low- to moderate-income households. The AHF is comprised of two funds: the Housing Trust Fund (HTF) and the Inclusionary Housing Fund (IHF). HTF funds may be used in any manner, through loans, grants, or indirect assistance for the production and maintenance of assisted units and related facilities and the IHF priority is given to the construction of new affordable housing stock. The AHF is funded at \$7.8M in FY 2015.
- Low-Income Housing Tax Credits (LIHTC): The federal 4% and 9% LIHTC is the principal source of funding for the construction and rehabilitation of affordable rental homes. They are a dollar-for-dollar credit against federal tax liability. The Housing Commission currently projects 1289 units utilizing this federal source.
- New Market Tax Credits (NMTC): Created in 2000 as part of the Community Renewal Tax Relief Act. NMTCs encourage revitalization efforts of low-income and disadvantaged communities. The NMTC Program provides tax credit incentives to investors for equity investments in certified Community Development Entities, which invest in low-income communities.

**Anticipated Resources**

Program	Uses of Funds	Expected Amount Available Year 4 (FY 2018)				Expected Amount Available Remainder of Con Plan \$
		Annual Allocation	Program Income:	Prior Years:	Total: \$	
CDBG	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$10,352,384	\$17,656,000	\$1,751,312	\$29,759,696	\$47,353,265
<b>Narrative</b>	CDBG Anticipated Resources have been updated to reflect Year 4 (FY 2018) amounts. The expected amount available of \$47,353,265 for Year 5 (FY 2019) is calculated from the FY 2018 annual allocation less 5% plus \$37,518,500 in anticipated FY 2018 ROPS 12/REI-related Program Income from the California Department of Finance.					

Program	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$
		Annual Allocation	Program Income:	Prior Years:	Total: \$	
HOME	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$4,386,711	\$2,200,000	\$3,148,289	\$9,735,000	\$17,546,844
<b>Narrative</b>	HOME Anticipated Resources reflect original Con Plan Year 1 estimates.					

Program	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$
		Annual Allocation	Program Income:	Prior Years:	Total: \$	
HOPWA	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	\$2,837,753	0	\$96,175	\$2,933,928	\$11,351,012
Narrative	HOPWA Anticipated Resources reflect original Con Plan Year 1 estimates.					

Program	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$
		Annual Allocation	Program Income:	Prior Years:	Total: \$	
ESG	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	\$920,222	\$0	\$0	\$920,222	\$3,680,888
Narrative	ESG Anticipated Resources reflect original Con Plan Year 1 estimates.					

Program	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$
		Annual Allocation	Program Income:	Prior Years:	Total: \$	
Competitive McKinney-Vento Homeless Assistance Act	Overnight shelter	0	0	0	0	0
Section 8	Rental Assistance	0	0	0	0	0

**Table 5 - Anticipated Resources**

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

Leverage, in the context of the City’s four HUD Programs, means bringing other local, state, and federal financial resources in order to maximize the reach and impact of the City’s HUD Programs. HUD, like many other federal agencies, encourages the recipients of federal monies to demonstrate that efforts are being made to strategically leverage additional funds in order to achieve greater results. Leverage is also a way to increase project efficiencies and benefit from economies of scale that often come with combining sources of funding for similar or expanded scopes. Funds will be considered leveraged if financial commitments toward the costs of a project from a source, other than the originating HUD Program, are documented.

In FY 2015 Community Development Division staff will identify and explore additional leveraging opportunities, such as New Market Tax Credits, other federal resources, and local private investments. Additional mechanisms to enhance the sustainability of HUD Program resources, such as establishing revolving loans, will be examined.

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

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

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

The Housing Commission uses CDBG funding set aside in Council Policy 700-02 and Housing Commission Housing Trust Funds. The Rapid Re-housing 100% match comes from: VASH vouchers, HOME TBRA, Continuum of Care funding, and in-kind match from subrecipients (case management and services).

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

The City of San Diego Real Estate Department works with community agencies like the San Diego Community Land Trust (SDCLT) to review City-owned properties and parcels for appropriateness and feasibility for affordable housing opportunities. On November 5, 2013, San Diego City Council approved a lease-purchase agreement with the SDCLT. The agreement leases 16 single family lots, located in the Nestor area of southern San Diego, for \$1 to SDCLT to prepare a development plan. Upon approval of the final development plan, the City will sell the lots to the SDCLT for \$1 each with the restriction that the lots be used to provide homes that are permanently affordable to low-income households.

***Discussion***

***Non-Entitlement Resources (part 2)***

- **Redevelopment:** After the dissolution of redevelopment, the Department of Finance (DOF) of the State of California approved the terms for the former Redevelopment Agency of the City of San Diego (RDA) repayment of the CDBG debt to the City in the total amount of \$78,787,000. Payment was to be made annually over a ten-year term. The City of San Diego Successor Agency to the former RDA (Successor Agency) is responsible for submitting to DOF a Recognized Obligation Payment Schedule (ROPS), delineating the enforceable obligations of the former RDA every six months. In 2012, DOF suspended approval of the payments. However, 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 the former RDA. These payments are subject to DOF approval in April of each year, and projecting amounts is a challenge. As these amounts become available, specific Reinvestment Initiative activities and allocation amounts will be described in each Annual Action Plan per the actual funds to be received for that particular year and will be subject to City Council review and approval.
- **General Fund:** The projected city budget recommits approximately \$1.9 million money from the city's General Fund for homeless services. Funds are intended to expand homeless programs like the Homeless Outreach Team, the Serial Inebriate Program, the Check-In Center and the Neil Good Day Center.
- **Philanthropy:** Funders Together to End Homelessness San Diego is an association of local funders who believe in the power of philanthropy to prevent and end homelessness. The local group is part of a national network and includes the United Way of San Diego County, LeSar Development Consultants, Alliance Healthcare Foundation, Social Venture Partners Parker Foundation, the McCarthy Family Foundation, and business leaders. First year allocations are anticipated to be \$1,000,000.

- **Bonds:** In January 2014, the City Council approved a \$120 million Infrastructure Bond, which includes \$43 million for street repairs; \$21 million for storm drain upgrades; \$4.7 million to bring City buildings in ADA compliance; \$1 million for sidewalk improvements; \$27 million to improvements at fire stations and lifeguard buildings, including the Skyline Fire Station, design and land acquisition for the Home Avenue Fire Station, and replacing fire stations in Point Loma and Hillcrest. Also included are designs for libraries in the Skyline, San Ysidro and San Carlos neighborhoods.
- **HUD VASH:** In 2013, the Housing Commission received 185 new federal housing vouchers from the U.S. Department of Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH) Program for their efforts to house homeless veterans in the City of San Diego. This more than doubled the agency's previous year allocation.

**SP-40 Institutional Delivery Structure – 91.215(k)**

*Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, nonprofit organizations, and public institutions.*

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

**Table 6 - Institutional Delivery Structure**

***Assess of Strengths and Gaps in the Institutional Delivery System.***

The City’s Community Development Division enjoys the benefit of partnership with the City Planning & Community Investment Economic Development Division, Office of Economic Growth Services, Office of Small Business, and Business Finance. After an Office of Inspector General Audit in 2009, the City began strengthening and streamlining its CDBG program. Nine reforms were adopted and implemented:

1. Set funding priorities in the Consolidated Plan.
2. Eliminate District Allocations and discontinue the Council/Mayor split.
3. Funding for Section 108 Loans to be taken "off the top."
4. Funding for Administrative and Fair Housing to be taken "off the top."
5. \$50,000 minimum funding levels for non-capital and economic development activities.
6. \$100,000 minimum for capital improvement projects.

7. Eliminate phased funding and give priority to projects where CDBG funding will complete the project.
8. Open up the Public Services Category to allow agencies providing public services the ability to apply.
9. Establish a CDBG Citizens Advisory Committee –now the Consolidated Plan Advisory Board– to score and recommend allocations to the City Council.

For the Consolidated Plan period years two through five, the City may elect to separate the CDBG Capital Improvement Project (CIP) funding process from that of Economic Development and Public Services. The CDBG CIP process may be coordinated with the Capital Improvements Program Review and Advisory Committee (CIPRAC). CIPRAC is the established and successfully functioning long-range planning committee for all individual capital improvement projects and funding sources. The City has a prioritization process that establishes clear and concise guidelines for CIP project selection. It also has an objective process for ranking projects. Including CDBG CIP allocations within the purview of CIPRAC is the natural best fit for complex multi-year funding and leveraging opportunities.

The City benefits from a strong jurisdiction and region-wide network of housing and community development partners. The County of San Diego Housing and Community Development Department (HCD) improves neighborhoods by assisting low-income residents, increasing the supply of affordable, safe housing, and rehabilitating residential properties in San Diego County. HCD leverages the City’s HOPWA program funds with the County’s Health and Human Services Agency and its own housing program income. The Housing Commission is an award-winning Move to Work agency dedicated to preserving and increasing affordable housing. The Housing Commission has further contributed over \$1 billion in loans and bond financing to projects resulting in 14,531 affordable rental units.

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

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
<b>Homelessness Prevention Services</b>			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	X
Mortgage Assistance	X		
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
<b>Street Outreach Services</b>			
Law Enforcement	X	X	
Mobile Clinics	X		
Other Street Outreach Services	X	X	
<b>Supportive Services</b>			
Alcohol & Drug Abuse	X	X	X
Child Care	X	X	

<b>Supportive Services</b>			
Education	X	X	
Employment and Employment Training	X	X	
Healthcare	X	X	
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	
<b>Other</b>			

**Table 7 - Homeless Prevention Services Summary**

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

The RTFH coordinates a Consolidated Application for funds from HUD. Homelessness does not follow geographic boundaries and our jurisdictional borders are porous with a mobile population. As the RCCC becomes compliant with the HEARTH Act, the level of collaboration between jurisdictions and service providers will increase as will the efficiency and impact of resources.

The City's service delivery system will better meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) as the RTFH becomes HEARTH Act compliant by creating a new governance structure, creating and instituting a coordinated assessment tool, reporting results, and aligning itself with the Federal Plan, Opening Doors.

***Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above.***

Please see previous response.

***Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs.***

As previously stated, the City has made a commitment to homeless services through Council Policy 700-02 and resulting budget allocations. The recognition of homelessness as a social and economic issue is uniting service providers, the business community, and the public and private sectors in achieving compliance with the HEARTH Act; adopting best practices to end chronic homelessness; and improving the system to rapidly rehouse individuals and families.

San Diego is undertaking efforts to align itself with the national efforts of the United States Interagency Council on the Homeless 2010 plan, *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*. This plan is "focused on four key goals:

1. Finish the job of ending chronic homelessness in five years.
2. Prevent and end homelessness among Veterans in five years.
3. Prevent and end homelessness for families, youth and children in ten years.
4. Set a path to ending all types of homelessness.”

Additional strategies for overcoming gaps in the institutional structure and service delivery system can be found in Appendix SP-40: Strategy for Overcoming Institutional Structure and Service Delivery Gaps.

**SP-45 Goals Summary – 91.215(a)(4)**

**Goals Summary Information**

Goal Name	Start & End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
HIV/AIDS housing, health, and support services	2014-2018	Affordable Housing Homeless Non-Homeless Special Needs	Citywide	Affordable Housing and Public Services	HOPWA: \$14,284,940	Public service activities other than Low/Moderate Income Housing Benefit: 31150 Persons Assisted  Tenant-based rental assistance / Rapid Rehousing: 400 Households Assisted  HIV/AIDS Housing Operations: 730 Household Housing Units

Goal Name	Start & End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Creating and preserving affordable housing	2014-2018	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	Citywide	Affordable Housing	HOME: \$27,281,844	Rental units constructed: 55 Household Housing Unit  Rental units rehabilitated: 155 Household Housing Unit  Homeowner Housing Rehabilitated: 230 Household Housing Unit  Direct Financial Assistance to Homebuyers: 425 Households Assisted

Goal Name	Start & End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
					<p><b>CDBG</b> <b>Repayment:</b> <b>\$14,944,112</b></p>	<p>Tenant-based rental assistance / Rapid Rehousing: 500 Households Assisted</p>

Goal Name	Start & End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Homelessness	2014–2018	Homeless	Citywide	Homelessness and Public Services	CDBG: \$9,390,390 ESG: \$4,601,110	Public service activities other than Low/Moderate Income Housing Benefit: 10000 Persons Assisted  Tenant-based rental assistance / Rapid Rehousing: 1000 Households Assisted  Homeless Person Overnight Shelter: 8000 Persons Assisted  Other: 1 Other (facility completed)
Services/facilities serving vulnerable population	2014–2018	Non-Homeless Special Needs Non-Housing Community Development	Citywide	Public Services and Public Facilities	<b>CDBG:</b> <b>\$25,398,847</b>	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 260,137 Persons Assisted  Public service activities other than Low/Moderate Income Housing Benefit: 7,635 Persons Assisted  Other: 17 Other

Goal Name	Start & End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Public infrastructure needs	2014–2018	Non-Housing Community Development	Citywide	Public Improvements and Infrastructure	<b>CDBG:</b> <b>\$23,867,794</b>	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 750,000 Persons Assisted  Other: 31 Other
Job readiness and economic development	2014–2018	Non-Homeless Special Needs Non-Housing Community Development	Citywide	Public Services and Economic Development	<b>CDBG:</b> <b>\$10,547,815</b>	Businesses assisted: 650 Businesses Assisted  60 Jobs Created

**Table 8 – Goals Summary**

**Goal Descriptions**

1	<b>Goal Name</b>	HIV/AIDS housing, health, and support services
	<b>Goal Description</b>	Meet the needs of persons with HIV/AIDS and their families through the provision of housing, health and support services.
2	<b>Goal Name</b>	Creating and preserving affordable housing
	<b>Goal Description</b>	Improve housing opportunities by creating and preserving affordable rental and homeowner housing in close proximity to transit, employment, and community services.
3	<b>Goal Name</b>	Homelessness
	<b>Goal Description</b>	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.
4	<b>Goal Name</b>	Services/facilities serving vulnerable population
	<b>Goal Description</b>	Invest in community services and nonprofit 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.

5	<b>Goal Name</b>	Public infrastructure needs
	<b>Goal Description</b>	Strengthen neighborhoods by investing in the City's critical public infrastructure needs.
6	<b>Goal Name</b>	Job readiness and economic development
	<b>Goal Description</b>	Enhance the City's economic stability and prosperity by increasing opportunities for job readiness and investing in economic development programs.

***Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2).***

Over the five-year Consolidated Plan period, the City expects to provide new affordable housing as follows:

HOPWA - Projected Total Assisted - 1,130 households:

- Tenant-based rental assistance
- HIV/AIDS housing operations

HOME - Projected Total Assisted - 435 households:

- Direct financial assistance to homebuyers
- Rental and Homeowner housing rehabilitation
- Rental unit construction

HOME TBRA - Projected Total Assisted - 175 households:

- Tenant-based rental assistance

ESG/CDBG - Projected Total Assisted - 9,000 households:

- Tenant-based rental assistance / Rapid rehousing
- Homeless overnight shelter

Additional information on how the City will provide affordable housing through each entitlement funding source can be found in Appendix SP-45: Provision of Affordable Housing.

## **SP-50 Public Housing Accessibility and Involvement – 91.215(c)**

### ***Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement).***

The Housing Commission proposes adding 35 new scattered site public housing units during the 2015 Fiscal Year. Eighteen of these units will be fully accessible.

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

The Housing Commission's Achievement Academy is its Family Self Sufficiency Program (FSS) open to Section 8 Head of Household recipients. The Achievement Academy and its partners provide Work Readiness Workshops, access to training, financial education and counseling, and benefit eligibility to include CalFresh and MediCal. Benefits include the establishment of a special, interest-bearing escrow account that helps participants to meet expenses related to achieving career goals. Participants may receive additional credits to their account as they achieve their goals.

Achievement Academy partners include:

- Manpower, a leader in the job workforce solutions industry
- KRA, a contractor from San Diego Workforce Partnership, providing One-Stop services via satellite
- The Business Initiatives Strategies (BIS) Program
- THRIVE, a partnership between the United Way, the County of San Diego, and South Bay Community Services
- Springboard, a nonprofit credit management agency
- Local Initiatives Support Corporation
- Housing Opportunities Collaborative
- Citi Bank
- Nova Debt
- US Bank, and
- Community Housing Works

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

No

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

Not applicable

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

### ***Barriers to Affordable Housing***

As discussed in NA-05, the barriers to affordable housing include:

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 need experienced.
3. Homeownership is out of reach for the majority of 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.
6. Development barriers in some communities, including permit processing times, height restrictions, outdated community plans, environmental review, and community opposition (“NIMBYism”).
7. Backlog of infrastructure and public facilities investment needs.
8. Impediments to Fair Housing

Specifically, permit processing times, height restrictions, outdated community plans, environmental review, and deficient infrastructure are all examples of governmental constraints that can hinder affordable housing and residential investment.

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

As stated in the Needs Assessment and Market Analysis-40, the City of San Diego is addressing the barriers above through the following strategies:

- Prioritizing CDBG Public Service resources for job readiness and economic development
- Increasing wage earnings for Section 8 participants by enhancing Achievement Academy services
- Establishing the Inclusionary Housing Ordinance, which requires all new residential developments of two units or more to provide 10% affordable housing or pay an Inclusionary Affordable Housing fee. The fees are one portion of the Affordable Housing Fund, which leverages funds to develop and preserve housing for low-income households.
- Maintaining the linkage fee, which is meant to offset the cost of affordable housing for low-wage workers and mitigate some of the need for increased affordable housing due to employment growth. The fees make up the other portion of the Affordable Housing Fund.
- Maintaining a Density Bonus “to provide increased residential density to developers who guarantee that a portion of their residential development will be available to moderate income, low-income, very low-income, or senior households.”
- Providing additional incentives to developers who provide affordable housing, including an expedited permit process, reduced water and sewer fees, and multifamily bond financing.
- Supporting the development of new parking regulations that more accurately reflect the parking needs for regulated affordable housing.

- Implementing recommendations from the San Diego Regional Analysis of Impediments to Fair Housing Choice.

***Strategy to Remove or Ameliorate the Barriers to Affordable Housing (part 2)***

- Continuing to update Community Plans, which are components of the City's General Plan and which specify the location and intensity of proposed residential development. The updates are intended to implement General Plan smart growth strategies at the neighborhood level and identify housing opportunities for a variety of household sizes.
- Identifying Transit Priority Areas and Infill Opportunity Zones pursuant to Senate Bill (SB) 743. This legislation seeks to support transit-oriented residential and mixed-use development through CEQA streamlining and reform. The goal is to reduce vehicle miles traveled and contribute to reductions in greenhouse gas emissions. The City is also in the process of updating CEQA significance thresholds to address current best legal practices and reflect the SB-743 streamlined review process for transit priority areas.

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

- The Low Income Housing Tax Credit (LIHTC) is an indirect federal subsidy to finance the construction and rehabilitation of low-income affordable rental housing. It is an incentive for private developers and investors to provide more low-income housing that provides a dollar-for-dollar reduction in their federal tax liability in exchange for financing to develop affordable rental housing. Project rents must remain restricted for at least 30 years after project completion. The LIHTC subsidizes either 30 percent (4 percent tax credit) or 70 percent (9 percent tax credit) of the low-income unit costs in a project.

***Strategy to Remove or Ameliorate the Barriers to Affordable Housing (part 3)***

- Providing loans, closing cost assistance grants, and mortgage credit certificates for first-time low and moderate income homebuyers, and assisting over 5,000 individuals and families in buying their first homes.
- Maintaining over 3,000 affordable housing units and preparing to purchase additional multifamily properties including the renovation of the Hotel Churchill to provide 72 studios for homeless or low income military veterans and individuals requiring mental health services.
- Offering incentives to affordable housing developers which include:
- Permanent financing in the form of low-interest loans, tax-exempt bonds and land-use incentives;
- Technical assistance, such as help with securing tax credits;
- Predevelopment assistance, loans and grants to help nonprofit developers during the preconstruction phase;
- Funding sources include federal HOME funds, Multifamily Tax-Exempt Bonds, Community Development Block Grants and the local Affordable Housing Fund. These funding sources can be used alone or in combination with each other. Each fund has its own requirements for allowable uses, repayment terms and project affordability restrictions.

The First-Time Homebuyer loans, closing cost assistance grants, and permanent financing low-interest loans all utilize HOME funds.

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

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

The federal Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 requires that communities develop a coordinated entry system to more efficiently and effectively match the appropriate housing resources to the needs of each homeless individual or family.

The San Diego 25 Cities Initiative, launched in June 2014, mobilized local planning efforts and partnerships to create an effective system for aligning housing and service interventions to end homelessness. The aim of this effort was to assist the top 25 communities with the largest homeless populations in the country to accelerate and align their existing efforts toward the creation of Coordinated Assessment and Housing Placement (CAHP) systems, laying the foundation for ending homelessness in their respective communities. In February 2016, the 25 Cities Initiative was realigned under the San Diego Regional Continuum of Care Council (RCCC), now operating as the Regional Task Force on the Homeless San Diego (RTFH).

The CAHP system, now called the Coordinated Entry System (CES), allows for the most efficient targeting of resources, increases coordination across community providers, and ensures that consumers have equal access to available housing resources.

The CES system is made up of four key components:

1. Use of the Coordinated Assessment Tool CAT (currently the Vulnerability Index–Service Prioritization and Decision Assistance Tool (VI-SPDAT) with supplemental questions);
2. Housing Navigation and Case Conferencing;
3. Housing Referral with Consumer Choice; and
4. Data Sharing and Communication.

The Campaign to End Homelessness in Downtown San Diego (Campaign) follows the national 100K Homes Campaign. The Campaign's Housing First Model creates a registry of all unsheltered homeless utilizing the Vulnerability Index (<http://100khomes.org/resources/the-vulnerability-index>) to prioritize resources. With the partnership of over 60 entities and agencies, the Campaign successfully implemented two pilot programs that provided Permanent Supportive Housing to over 258 of the most vulnerable individuals in San Diego.

The Downtown San Diego Partnership's Clean & Safe Program has instituted an Integrated Outreach Team (IOT) consisting of Clean & Safe, the San Diego Police Department's Homeless Outreach Team (HOT), Alpha Project, Connections Housing, and the San Diego City Attorney's Office. The IOT is leading a coordinated effort to place people in beds, give them resources, and create a "flow" to permanent supportive housing. Available beds paired with case management are critical and allow for the immediate development of a transition plan.

The Mayor and City Council have mandated that addressing homelessness be a number one social service priority for the City. Under the leadership of a Senior Advisor for Housing Solutions in the Mayor's Office, the City has ramped up its efforts to help coordinate the activities and programs of and the resources available to it and its partners to address homelessness and create and implement a cross-jurisdictional regional plan. The regional plan as it develops will be incorporated into the Annual Action Plans as feasible.

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

As per the proposed mid-year budget, Council Policy 700-02, and the Housing Commission's Move to Work Plan, the City is committed to increasing resources to help homeless persons. While many efforts are focused on the U.S. Interagency on Homelessness Housing First Model, reviews of the emergency and transitional housing are finding benefit, too.

Emergency housing is being considered in San Diego as a Triage/Assessment Center. This is a place where homeless can reach immediate safety and receive coordinated assessment for an appropriate level of service.

The Housing Commission administers two emergency shelters on behalf of the City. The Downtown Shelter for homeless adults offers 220 beds, health care, mental health, and substance abuse counseling. The Downtown Shelter is currently operated by Alpha Project. The Veterans Shelter provides 150 beds and services including employment, housing and medical referrals. Mental health counseling is available every night. Alcoholics Anonymous and Narcotics Anonymous meetings are held every morning. The Veteran's Shelter is currently operated by Veterans' Village of San Diego (VVSD).

Connections Housing, which opened in 2013 and is operated by PATH, houses 134 homeless individuals in their interim bed program and provides them with case management and referrals to a variety of solution oriented social services provided on site at the downtown facility. Cortez Hill Family Shelter, operated by the YWCA, provides 45 units for families year round with referrals to off-site services and provision of on-site counseling programs.

The Corporation for Supportive Housing (CSH), a collaborative community partner and influential advocate for supportive housing, conducted a review of 18 transitional housing sites within the San Diego Region. They recommended that the majority of the reviewed transitional housing projects make program adjustments to become "High Performing" Transitional Housing, with recommendations for a few sites to convert to a Permanent Supportive Housing or Rapid Rehousing model.

***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 Housing Commission subcontracts with local providers to assist families and individuals in existing transitional housing programs move to permanent housing. The goals of the program are to address the barriers that prevent households from leaving transitional housing programs and helping clients to move quickly from homelessness to self-sufficiency and independent living. This program provides households with security and utility deposits, and short or medium term rental assistance. Clients receive case management targeted to gaining employment and budgeting and financial competency. Additionally, Housing Commission continues to operate the Security Deposit Plus (SD+) Program which assists homeless people with security deposits to gain permanent housing through voucher programs and other housing solutions.

The Housing Commission also offers a new HOME Tenant-Based Rental Assistance (TBRA) program. Under this new program, HOME TBRA subsidies will be made available to homeless individuals who are successfully graduating from the Housing Commission's rapid re-housing program for homeless individuals and families. These homeless households must be in need of immediate financial assistance in order to obtain affordable housing. The intent of the program is to strengthen the pipeline that moves homeless individuals from homelessness, through a shelter, through a transitional housing program, and on to a successful exit to stable, independent permanent housing. The HOME TBRA program will be modeled after the Housing Choice Voucher Program except where the HOME TBRA requirements differ.

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 and 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 homeless providers in its system and provides a method for persons who decline assessment through the coordinated entry system to be placed on a HOME Program-funded project waiting list.

***Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs***

The Housing Commission expanded its Project-Based Voucher (PBV) program by allocating a minimum of 400 additional project-based vouchers to serve the City's low-income families, with a primary focus on the homeless population. The baseline number of new housing units made available for homeless households at or below 80% AMI as a result of the activity is 145, and the

benchmark is 216 new housing units made available for homeless households at or below 80% AMI by June 30, 2018.

The Housing Commission has partnered with Veteran’s Village of San Diego (VVSD) to craft a transitional housing program using flat subsidies paired with supportive services. The Housing Commission provides the housing subsidy while VVSD provides the supportive services.

Sponsor-based subsidies assist individuals identified as homeless. Participants receive housing and supportive services from sponsor organizations.

## **SP-65 Lead-Based Paint Hazards – 91.215(i)**

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

The City's Environmental Services Department administered the Lead Safety and Healthy Homes Program through CDBG funding and the Housing Commission administers the "Home Safe Home" program.

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

The Housing Commission gives top priority to families whose homes are frequented by children under the age of six years old and outreach efforts are focused in the communities of:

- City Heights
- Linda Vista
- Logan Heights
- Sherman Heights

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

As was discussed previously in section MA-20 of the Market Analysis, the City enacted a Municipal Code in June 2002 (54.1001 et seq.) making it unlawful for a property owner to maintain or cause a lead hazard. As of October 1, 2003, the City enforces SB 460 to include substandard housing and contractors creating lead hazards. The City Council further passed the Lead Hazard Prevention and Control Ordinance in 2008. The City of San Diego's Environmental Services Department runs the Lead Safety and Healthy Homes Program (LSHHP) and provides:

- Assistance in identifying lead hazards.
- Free training or identify contractors that are using lead safe work practices.
- Technical advice on how to perform abatement.
- Free equipment loans (residents only).
- Free visual and dust clearance (for income lower than \$50,000).
- Assistance in proper disposal via its household hazardous waste program.

The Housing Commission's "Home Safe Home" program protects low-income children and families in the City of San Diego from lead-based paint and other home health hazards with priority given to families whose homes are frequented by children under the age of six years old. The program provides blood tests for lead levels, as well as lead paint remediation in qualifying homes that were built before 1979. Maximum grant amounts are:

- \$10,000 for single-family structures.
- \$5,000 per unit for multi-family structures. An additional \$5,000 per project will be made available for multi-family projects to control lead hazards in common areas."

The tables in MA-20 reflect the extent of LBP hazards within the City's current housing stock.

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

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

In addition to the number of program offered by the City through the Workforce Investment Board, the Housing Commission, and the Economic Development Department, the City benefits from the regional Community Action Partnership of San Diego County.

“The Community Action Partnership (CAP) is administratively located under the Health and Human Services Agency, Office of Strategy and Innovation of the County of San Diego. CAP is the federally designated Community Action Agency and administers the Community Services Block Grant for the San Diego region.” CAP 2014–2015 projections include, but are not limited to:

- 1,942 participants to obtain employment and increase employment income and/or benefits
- 248 participants to obtain skills/competencies required for employment
- 1,000 participants to obtain access to reliable transportation and/or a driver’s license
- 4,000 participants in tax preparation programs
- 4,000 participants assisted with emergency food
- 98 youth participants to avoid risk-taking behavior

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

As mentioned in MA-45 of the Market Analysis, the City’s Economic Development Strategy contains three overarching Strategic Objectives: Economic Base Growth, Middle-Income Jobs, and Neighborhood Business. The Performance Measures linked to the three Strategic Objectives are:

1. Increase the Gross Regional Product (GRP) of the San Diego Region
2. Increase the percentage of the workforce earning middle-wage incomes
3. Decrease the local unemployment rate
4. Increase the local median income
5. Decrease the percentage of people living in poverty
6. Increase General Fund tax revenues as a percentage of GRP
7. Increase the business activity in the City’s neighborhood business districts”

## **SP-80 Monitoring – 91.230**

***Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements***

All awarded projects and programs are monitored for compliance with San Diego City Council Policy 700-02, HUD Regulations, OMB Circulars and 24 CFR Part 84.

City programs supported with entitlement funds will be monitored to ensure compliance with the respective program requirements of the specific funding source. The City approach to monitoring is an ongoing process involving continuous communication and evaluation with grant recipients (non-profit organizations, other governmental agencies, city departments).

The Community Development Division performs the following monitoring functions:

1. Make available to grant recipients (i.e., nonprofit organizations) general information on specific federal funds program requirements (i.e., OMB Circulars, Program Regulations);
2. Review all grant recipients' reimbursement requests through desk audits to ensure specific program requirements are being met;
3. Review and determine eligibility of all applications with specific federal funds criteria; and
4. Provide technical assistance to grant recipients in various program areas.

On an individual basis, identified deficiencies are corrected through technical assistance. In the case of serious infractions, the City may seek to impose sanctions.

Proposed goals stated in the Annual Action Plan are evaluated and reported in the CAPER.

For additional information on the City's standards and procedures used to monitor activities, please see Appendix SP-80: Monitoring.