

## FY 2020 Annual Action Plan

Substantial Amendment No. 2

October 2020

Revised to:

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

ESG Round 2 (ESG-CV2)	\$22,796,116
CDBG Round 3 (CDBG-CV3)	\$12,210,017
- Update the FY 2020 Anticipated Resources;
- Update the FY 2020 Goals and Objectives;
- Identify activities that may be undertaken with the additional ESG-CV2 and CDBG-CV3 funds in response to the COVID-19 pandemic and provide the estimated outcomes of those activities;
- Provide further detail on the eligible activities identified in the 1<sup>st</sup> Substantial Amendment to the FY 2020 Annual Action Plan.
- Make non-substantive edits to the FY 2020 Annual Action Plan

## Expected Resources

### AP-15 Expected Resources – 91.220(c)(1,2)

#### Introduction

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

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

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

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

The CARES Act also suspended certain regulatory restrictions including:

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

Consolidated Plan SAN DIEGO 182 OMB Control No: 2506-0117 (exp. 06/30/2018)

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

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

The additional funding has been included in the 2<sup>nd</sup> Substantial Amendment to the FY 2020 Annual Action Plan and allocated to the anticipated

activities and/or projects.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	31,309,958	31,403,000	4,647,964	67,360,922	107,200,000	Prior year reprogrammed balance will be used for a variety of City infrastructure projects. \$11,876,002 of annual entitlement; \$7,223,939 of CDBG-CV, \$12,210,017 of CDBG-CV3

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$5,312,011	\$903,588	\$10,223,688	\$16,439,287	\$21,248,044	HOME funds vary from year to year based on the expenditure of prior year commitments and program income.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	27,400,253	0	0	\$27,400,253	\$4,023,212	\$1,005,803 in ESG entitlement; \$3,598,334 in ESG-CV, \$22,796,116 in ESG-CV2

Table 58 - Expected Resources – Priority Table

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

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

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

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

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

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

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

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

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

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

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

**Discussion**

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

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2019	2023	Affordable Housing	Citywide	Development of Affordable Housing Maintenance of Owner-Occupied Housing Affordable Housing Access and Stability	CDBG: \$14,710,750 HOME: \$15,397,243	Rental units constructed: 412 Household Housing Unit Rental units rehabilitated: 40 Household Housing Unit Homeowner Housing Rehabilitated: 80 Household Housing Unit Direct Financial Assistance to Homebuyers: 35 Households Assisted
2	Economic Development	2019	2023	Non-Housing Community Development Economic Development	Citywide	Economic Development	CDBG: \$6,171,058	Jobs created/retained: 44 Jobs Businesses assisted: 487 Businesses Assisted
3	Workforce Development	2019	2023	Non-Housing Community Development	Citywide	Workforce Development	CDBG: \$2,058,445	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 729 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Public facilities and Infrastructure	2020	2024	Non-Homeless Special Needs City Infrastructure	Citywide	Public Improvements and Infrastructure	CDBG: \$6,600,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 100000 Persons Assisted Other: 5 Other
5	Homelessness	2019	2023	Homeless	Citywide	Homelessness and Supportive Services	CDBG: \$11,070,197 ESG: \$23,847,476	Public Service Activities other than Low/Moderate Income Housing Benefit: 13556 Persons Assisted Tenant-based rental assistance / Rapid Rehousing: 164 Households Assisted Homeless Person Overnight Shelter: 3500 Persons Assisted
6	Public and Community Services	2019	2023	Non-Homeless Special Needs Non-Housing Community Development	Citywide	Public Services	CDBG: \$9,069,357	Public Service Activities other than Low/Moderate Income Housing Benefit, including emergency rental assistance: 31827 Persons Assisted
7	Nonprofit Facility Improvements	2019	2023	Non-Housing Community Development	Citywide	Nonprofit Facility Improvements	CDBG: \$7,206,517	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 36968 Persons Assisted Other: 7 Other

Table 59 – Goals Summary

## Goal Descriptions

1	Goal Name	Affordable Housing
	Goal Description	<b>Creating and preserving affordable rental and homeowner housing</b>
2	Goal Name	Economic Development
	Goal Description	<b>Inclusive economic growth initiatives and entrepreneurship support</b>
3	Goal Name	Workforce Development
	Goal Description	<b>Workforce Development &amp; Job Readiness</b>
4	Goal Name	Public facilities and Infrastructure
	Goal Description	<b>Development of neighborhoods through investment in public infrastructure</b>
5	Goal Name	Homelessness
	Goal Description	<b>Assisting individuals and families experiencing homelessness</b>
6	Goal Name	Public and Community Services
	Goal Description	<b>Community services serving vulnerable populations</b>
7	Goal Name	Nonprofit Facility Improvements
	Goal Description	<b>Impactful nonprofit facility improvements</b>

# Projects

## AP-35 Projects – 91.220(d)

### Introduction

The City of San Diego is anticipating an additional \$31 million in FY 2020 CDBG Program Income. This additional amount is the result of an agreement negotiated between the former Redevelopment Agency and HUD to repay the City's CDBG Program over the course of several years with escalating payments.

The Consolidated Plan sets goals and strategies to be achieved over the FY 2020 – 2024 period and identifies a list of funding priorities. The eight Consolidated Plan Goals represent high priority needs for the City and serve as the basis for FY 2020 programs and activities identified in the Action. The Consolidated Plan goals are listed below in no particular order:

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

Based on these goals, the table below summarizes the priorities and specific objectives that the City of San Diego aims to achieve during the Consolidated Plan five-year period (accomplishments sought in order to address the goals are expressed in terms on quantitative outcomes). For project detail by

Consolidated Plan Goal, please review the Projects by Consolidated Plan Goal in Attachment B.

**Projects**

#	Project Name
1	CDBG Administration (updated)
2	Workforce Development and Job Readiness
3	Community and Public Services (updated)
4	Affordable Housing and Residential Rehabilitation CDBG
5	Economic Development
6	Improvement of Nonprofit Facilities
7	Homelessness – CDBG (updated)
8	Public Infrastructure Improvements
9	SDHC-Homeownership
10	SDHC-Rental Housing
11	HOME Administration
12	ESG 19 City of San Diego (2020) (updated)
13	CDBG Unobligated

**Table 60 - Project Information**

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

In accordance with the Consolidated Plan, CDBG, HOME, and ESG funds are distributed using the following allocation priorities:

CDBG: As noted above, projects and program identified for funding with CDBG are selected in accordance with the policies and procedures outlined in the Consolidated Plan-refer to sections AP-12 and AP above for further details.

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

ESG: The San Diego Housing Commission administers the ESG Program on behalf of the City of San Diego. The ESG program provides funding to (1) engage homeless individuals and families living on the street, (2) rapidly re-house homeless individuals and families, (3) help operate and provide essential

services in emergency shelters

for homeless individuals and families, and (4) prevent individuals and families from becoming homeless. In the City of San Diego, ESG supports year-round shelters which include: Connections Housing Interim Shelter for Single Adults, Father Joe's Villages Interim Shelter, and the Cortez Hill Interim Family Shelter. In addition, ESG supports the PATH rapid re-housing program which focuses on quickly placing homeless households back into permanent housing, with intermediate-term rental assistance and housing stabilization services.

## AP-38 Project Summary

### Project Summary Information

<b>1</b>	<b>Project Name</b>	CDBG Administration
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Economic Development Workforce Development Public facilities and Infrastructure Affordable Housing Homelessness Nonprofit Facility Improvements Public and Community Services HIV/AIDS housing, health and support services
	<b>Needs Addressed</b>	Development of Affordable Housing Maintenance of Owner-Occupied Housing Affordable Housing Access and Stability Homelessness and Supportive Services Public Services Public Improvements and Infrastructure Economic Development Workforce Development Nonprofit Facility Improvements Housing/Support for Individuals with HIV/AIDS
	<b>Funding</b>	CDBG: \$9,845,796
	<b>Description</b>	City of San Diego administrative costs directly related to administering the CDBG Program to ensure compliance with all HUD planning and community development activities provided to City residents and businesses, as well as fair housing services. The Nonprofit Accelerator and Fair Housing Education and Legal Aid programs are also funded through administration. Includes \$1,444,787 of CDBG-CV and \$2,442,003 of CDBG-CV3 admin funding. Admin from the CDBG-CV allocation may not be fully expended by FYE 2020 and may carry-over into FY 2021.
	<b>Target Date</b>	6/30/2020

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	N/A
	<b>Planned Activities</b>	
<b>2</b>	<b>Project Name</b>	Workforce Development and Job Readiness
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Workforce Development
	<b>Needs Addressed</b>	Workforce Development
	<b>Funding</b>	CDBG: \$2,058,445
	<b>Description</b>	Foster individual and household resiliency by investing in employment and workforce development programs and improving access to job opportunities.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	729 persons assisted
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Please view Attachment B, Appendix 1 for project details
<b>3</b>	<b>Project Name</b>	Community and Public Services
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Public and Community Services
	<b>Needs Addressed</b>	Public Services
	<b>Funding</b>	CDBG: \$9,069,357
	<b>Description</b>	Invest in community services that promote equity and serve vulnerable populations including, but not limited to, refugees and recent immigrants, previously incarcerated individuals, veterans, youth, seniors, and food insecure households; includes emergency rental assistance payments in response to COVID-19
	<b>Target Date</b>	6/30/202

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	31,827 persons assisted.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Please view Attachment B, Appendix 1 (revision 1) for Project Details
4	<b>Project Name</b>	Affordable Housing and Residential Rehabilitation CDBG
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Development of Affordable Housing Maintenance of Owner-Occupied Housing
	<b>Funding</b>	CDBG: \$14,710,750
	<b>Description</b>	Increase and preserve affordable rental and homeowner housing to improve access to housing opportunities that reflect community needs, including but not limited to, opportunities in close proximity to transit, employment, and community services.
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	40 rental units rehabilitated, 300 rental units acquired/rehabilitated, and 80 single family homes rehabilitated
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Please view Attachment B, Appendix 1 (revision 1) for Project Details
5	<b>Project Name</b>	Economic Development
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Economic Development
	<b>Needs Addressed</b>	Economic Development
	<b>Funding</b>	CDBG: \$6,171,058
	<b>Description</b>	Enhance the City's economic stability by investing in inclusive economic growth initiatives that develop and strengthen small businesses and support local entrepreneurs.
	<b>Target Date</b>	6/30/2021

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	487 BUSINESSES ASSISTED and 44 JOBS CREATED/RETAINED.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Please view Attachment B, Appendix 1 for Project Details
6	<b>Project Name</b>	Improvement of Nonprofit Facilities
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Nonprofit Facility Improvements
	<b>Needs Addressed</b>	Nonprofit Facility Improvements
	<b>Funding</b>	CDBG: \$7,209,517
	<b>Description</b>	Finance impactful nonprofit facility improvements to provide new or increased access to programs that serve vulnerable populations or implement sustainability measures.
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Persons Assisted: 36,968. Facilities (other): 7.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Please view Attachment B, Appendix 1 for Projects details
7	<b>Project Name</b>	Homelessness - CDBG
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Homelessness
	<b>Needs Addressed</b>	Homelessness and Supportive Services
	<b>Funding</b>	CDBG: \$11,070,197
	<b>Description</b>	Assist individuals and families to gain stable housing after experiencing homelessness or a housing crisis by providing appropriate housing and service solutions grounded in best practices.
	<b>Target Date</b>	6/30/2021

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Persons Assisted: 13,556 Facility (other): 1 Overnight Shelter: Persons Assisted: 1,590
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Please view Attachment B, Appendix 1 (revision 1) for Projects details
<b>8</b>	<b>Project Name</b>	Public Infrastructure Improvements
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Public facilities and Infrastructure
	<b>Needs Addressed</b>	Public Improvements and Infrastructure
	<b>Funding</b>	CDBG: \$6,600,000
	<b>Description</b>	Support the development of vibrant, equitable, and adaptable neighborhoods by investing in public facilities and critical infrastructure.
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Persons Assisted: 100,000. Facilities Improved (Other): 5.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Please view Attachment B, Appendix 1 for Projects details
<b>9</b>	<b>Project Name</b>	SDHC-Homeownership
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Affordable Housing Access and Stability
	<b>Funding</b>	HOME: \$2,500,000
	<b>Description</b>	Provision of financial assistance towards homeownership in the form of assistance towards the down payment and closing costs.
	<b>Target Date</b>	6/30/2020

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	35 households
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Please view Attachment B, Appendix 1 for Projects details
<b>10</b>	<b>Project Name</b>	SDHC-Rental Housing
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Development of Affordable Housing
	<b>Funding</b>	HOME: \$12,897,243
	<b>Description</b>	Rental units constructed
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	112 households (HOME units only)
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	N/A
<b>11</b>	<b>Project Name</b>	HOME Administration
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Development of Affordable Housing Maintenance of Owner-Occupied Housing Affordable Housing Access and Stability
	<b>Funding</b>	HOME: \$1,042,044
	<b>Description</b>	Administration costs of HOME program for the City of San Diego and San Diego Housing Commission.
	<b>Target Date</b>	6/30/2020

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	N/A
	<b>Planned Activities</b>	
<b>12</b>	<b>Project Name</b>	ESG 19 City of San Diego (2020)
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Homelessness
	<b>Needs Addressed</b>	Homelessness and Supportive Services
	<b>Funding</b>	ESG: \$23,847,476
	<b>Description</b>	Federal Fiscal Year 2020 ESG, ESG-CV and ESG-CV2 funds for the City of San Diego have been allocated to the San Diego Housing Commission (SDHC) to operate shelters for the homeless, provide rapid-re-housing strategies and program administration and data collection through HMIS. A portion of the ESG administration funds remain with the City pursuant to the terms of an MOU.
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Rapid Re-Housing: \$327,517, 140 Households Assisted. <b>Interim Housing: \$ 2,410 Persons Assisted.</b> Administration: \$2,717,707
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Please view Attachment B, Appendix 1 (revision 1) for Project details
<b>13</b>	<b>Project Name</b>	CDBG Unobligated
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Economic Development Workforce Development Public facilities and Infrastructure Affordable Housing Homelessness Nonprofit Facility Improvements Public and Community Services

	<b>Needs Addressed</b>	Development of Affordable Housing Maintenance of Owner-Occupied Housing Affordable Housing Access and Stability Homelessness and Supportive Services Public Services Public Improvements and Infrastructure Economic Development Workforce Development Nonprofit Facility Improvements
	<b>Funding</b>	CDBG: \$201,197 CDBG-CV3: \$3,104
	<b>Description</b>	Unobligated CDBG funds
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	N/A
	<b>Planned Activities</b>	N/A
<b>14</b>	<b>Project Name</b>	ESG Unobligated ( <i>note: unobligated amount will be included in total ESG project</i> )
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Homelessness
	<b>Needs Addressed</b>	Homelessness and Supportive Services
	<b>Funding</b>	ESG-CV2: \$3,552,777
	<b>Description</b>	Unobligated ESG-CV2 funds
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	N/A
	<b>Planned Activities</b>	N/A

## **AP-50 Geographic Distribution – 91.220(f)**

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

The City’s FY 2015 – 2019 Consolidated Plan outlined a strategy to incorporate Geographic Targeting as a way to help stabilize and improve neighborhoods by directing the investment of HUD resources to geographic areas with the highest need. The initiative was originally defined in FY 2016. After consultation with local subject matter experts and analysis of local data for a variety of indicators (such as, poverty, rent burden, violent crime, and unemployment), the Geographic Targeting initiative identified (which can be viewed on the CDBG website) six high need Community Planning Areas. The six Community Planning areas currently include Barrio Logan, City Heights, Encanto, Linda Vista, San Ysidro, and Southeastern. As part of the FY 2020 – 2024 Consolidated Plan the City intends to review these designations by reviewing available data to ensure areas with the current highest need are included. Please see section SP-10 within the FY 2020 - 2024 Consolidated Plan for additional information.

In addition to the six Geographic Targeted areas, a section of San Diego was designated in 2016 as the San Diego Promise Zone (SDPZ) that provides additional federal funding to address critical need areas in the City’s most disadvantaged neighborhoods (more information available on the City’s Promise Zone website). The targeted area stretches from East Village and Barrio Logan in the West to Encanto and Emerald Hills in the East. It has an estimated population of more than 77,000 residents. To better support development in the Promise Zone and Geographic Targeted areas, the CDBG Request for Proposals now considers whether projects are located within the targeted areas and whether services will be delivered to targeted area residents.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Citywide	

**Table 1 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

Not applicable.

### **Discussion**

None.

# Affordable Housing

## AP-55 Affordable Housing – 91.220(g)

### Introduction

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

Additionally, the population types are not mutually exclusive. A detailed discussion of how HUD entitlements will be used to support affordable housing needs within the City of San Diego is provided in AP-20 above, with the number of households and individuals to be assisted itemized by the funding source.

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	95
Non-Homeless	52
Special-Needs	0
Total	147

**Table 2 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	0
The Production of New Units	112
Rehab of Existing Units	0
Acquisition of Existing Units	35
Total	147

**Table 3 - One Year Goals for Affordable Housing by Support Type**

### Discussion

The tables above capture units assisted in part with HOME funds. In FY 2020 it is anticipated that funding will support the construction of new affordable rental housing and promote homeownership through the HOME program.

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

The Housing Commission owns and manages the public housing inventory, affordable housing units, and ground leases within the City. The units are restricted to low-income renters with incomes at 80% Area Median Income (AMI) or less. The number of units in the Housing Commission's Real Estate portfolio is over 2,700 units amongst 159 residential properties, eight of those being Public Housing properties and six sites that are under a long-term ground and building lease. The Public Housing figures include the transition of five State-subsidized properties to the Public Housing portfolio upon completion of major rehabilitation work during FY 2018. In addition to the units owned and operated, the Housing Commission is the Ground Lessor on sixteen properties that provide over 1,460 affordable units.

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

During FY 2020, the Housing Commission does not anticipate any new Public Housing or Affordable Housing acquisitions. The focus in FY 2020 will be renovation and rehabilitation work on a number of properties as a direct result of the Green Physical Needs Assessment completed in FY 2015.

SDHC is anticipating an acquisition in FY2020, to be transferred to HDP for financing and rehabilitation. The acquisition will create approximately 50 new affordable housing units, at approximately \$15m in TDC. Renovations to include immediate fire and life safety needs, accessibility improvements, and upgrades and/or modifications to building systems (mechanical, electrical, plumbing) as needed.

Additionally, in FY2020, HDP will be initiating rehabilitation for Quality Inn, a 92-unit permanent supportive housing project at approximately \$13m TDC; and West Park, a 47-unit permanent supportive housing project at approximately \$15m TDC. Also, in FY2020, we will be closing on the financing and initiating rehabilitation for Mariner's Village, a 172-unit, family housing project.

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

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

head of household is unable or unwilling to participate in the program.”

In its 2015 Moving to Work Plan, the Housing Commission also requested authority to modify the Family Self-Sufficiency (FSS) program by revising the contract term and the escrow calculation method to coincide with the Path to Success initiative. Changes to the program include a \$10,000 maximum on total escrow accumulation, escrow deposits based on outcomes achieved, and a two-year contract term with the option to extend the contract an additional three years if additional time is needed to attain goals.

SDHC was awarded a Resident Opportunities and Self Sufficiency-Service Coordinator (ROSS-SC) (three-year grant) to promote jobs development, financial stability and self-sufficiency for public housing residents. Similar to FSS, ROSS Service Coordinators work directly with public housing residents to assess their needs and connect them with education, job training, and placement programs, and/or computer and financial literacy services available in their community to promote self-sufficiency.

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

- AmeriMed
- Biocom Introductory Life Sciences Experience
- Center for Employment Training
- Center for Healthier Communities
- Citi Bank
- City Heights Community Development Corporation
- Community Housing Works
- CONNECT2Careers
- Food & Beverage Associates of San Diego
- International Rescue Committee
- Jewish Family Services
- Job Corp
- Landeros & Associates
- La Maestra Community Health Centers
- Local Initiatives Support Corporation
- Microsoft

- Rady's Children Hospital
- San Diego Public Library
- San Diego Workforce Partnership
- San Diego Zoo
- Self-Help Federal Credit Union
- South Bay Community Services
- The Campaign for Grade-Level Reading
- TransUnion
- Union Bank
- Urban Corps
- US Bank
- Wells Fargo
- W.K. Kellogg Foundation
- YMCA of San Diego County

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

Not applicable.

**Discussion**

None.

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

The U.S. Department of Housing and Urban Development (HUD) charges communities that receive funds under the Homeless Continuum of Care (CoC) Program of the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) with specific responsibilities. The RTFH is the coordinating body recognized by HUD and, in its 20-year history, the RTFH has brought over \$287 million in resources to the region. The RTFH applies annually to HUD and has been successful with the annual federal award received increasing to over \$18 million in 2019. Awarded funds are directed to support programs and services for homeless San Diegans. This funding award was a result of the application submitted during the 2018 CoC Funding round.

The RTFH includes all of the geographies within the County of San Diego, including 18 incorporated cities and all unincorporated areas. This area also includes several Public Housing Authorities and Emergency Solutions Grant (ESG), Community Development Block Grant (CDBG), HOPWA, HOME and Veteran Administration service areas.

The RTFH Governance Board, seated in 2014, meets on a monthly basis to identify gaps in homeless services, establish funding priorities, and to pursue a systematic approach to addressing homelessness. The meetings are public, and the community of providers and stakeholders are welcome to attend and provide comment. The City is represented on the RTFH general membership by staff of the City's Economic Development Department. Through regular attendance and participation in the RTFH meetings, the City consults with the RTFH to develop cooperative plans and strategies to leverage resources for the provision of emergency shelter and rapid re-housing services. In doing so, the City and is informed of changes in local goals, objectives and performance measures.

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 Veterans and chronic homelessness, and improving the system to rapidly re-house individuals and families. The RTFH has become HEARTH Act compliant by creating a new governance structure, implementing a coordinated entry system (CES) with an assessment tool used County-wide, reporting results, and aligning itself with the national efforts of the United States Interagency Council on the Homeless (USICH) 2010 plan, *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*. Home, Together, the new strategic plan introduced by USICH, covers fiscal years 2018-2022 and contains the following key goals and objectives to:

#### **1. Ensure homelessness is a rare experience**

Objective 1.1: Collaboratively Build Lasting Systems that End Homelessness

Objective 1.2: Increase Capacity and Strengthen Practices to Prevent Housing Crises and Homelessness

#### **2. Ensure homelessness is a brief experience**

Objective 2.1: Identify and Engage All People Experiencing Homelessness as Quickly as Possible

Objective 2.2: Provide Immediate Access to Low-Barrier Emergency Shelter or other Temporary Accommodations to All Who Need it

Objective 2.3: Implement Coordinated Entry to Standardize Assessment and Prioritization Processes and Streamline Connections to Housing and Services

Objective 2.4: Assist People to Move Swiftly into Permanent Housing with Appropriate and Person-Centered Services

3. Ensure homelessness is a one-time experience

Objective 3.1: Prevent Returns to Homelessness through Connections to Adequate Services and Opportunities

4. Sustain an end to homelessness

Objective 4.1: Sustain Practices and Systems at a Scale Necessary to Respond to Future Needs

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

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

As noted, one of the Con Plan goals calls for “assisting individuals and families to stabilize in permanent housing after experiencing a housing crisis or homelessness, by providing client-appropriate housing and support services.” Actions undertaken to achieve this goal include the allocation of ESG and CDBG funds totaling \$3,518,800 to assist homeless households via the Interim Housing Facility for Homeless Adults, the Day Center for Homeless Adults, Cortez Hill Family Center, Connections Housing, and the Housing Commission’s Rapid Re-Housing programs.

In addition to the 1-year goals specified in the AP-20 Homelessness Goal, the City continues to participate as a member in the RTFH and its Coordinated Assessment Housing Placement System which has become an umbrella for local efforts like, the Campaign to End Homelessness in Downtown San Diego and 25 Cities: a national initiative to end Veteran homelessness. The RTFH built a regional system for coordinated assessment. The RTFH received guidance from HUD Technical Assistance and established the Coordinated Entry System (CES), a region-wide system to assess and place homeless individuals and families in housing, which ensures compliance with the HEARTH Act. CES uses a coordinated assessment tool, developed and piloted within the City of San Diego that is designed to determine a homeless person’s level and type of need, and match the person to an appropriate housing resource. The Coordinated Entry System was successfully introduced as a pilot program and is currently utilized throughout the San Diego region by Homeless Service providers.

The Downtown San Diego Partnership’s Clean & Safe Program 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, provide access to resources, and create a path to obtaining permanent supportive housing. As a result, outreach is strategically conducted in targeted hot-spots throughout the City and Downtown area.

In December 2017, the first of the city's three Bridge Shelters were opened for single adults. These actions were followed by the opening of the Veterans Bridge Shelter and the opening of the Families with Children & Single Women Shelter in January 2018. The new shelters have the capacity to serve 674 persons daily and are unique to the region. The shelters provide not only a safe, and stable shelter environment, but also a direct connection to housing navigation staff whose main focus is to rapidly rehouse shelter residents into permanent or other long-term housing options. Housing matches are dependent upon a vulnerability assessment and CES housing resource match opportunities.

Bridge Shelter referrals are made via the CES for persons in need of immediate shelter. This allows shelter residents to work with Housing Navigators in a stable environment while also having access to a multitude of resources such as assistance with documentation, meeting medical and mental health needs, and social benefits eligibility. In addition, each Bridge Shelter has its own Outreach team that coordinates with RTFH staff, as well as the IOT and SDPD HOT teams, to ensure that outreach is occurring in targeted hot-spots throughout the downtown area as well as other areas throughout the City in need of outreach. Outreach workers conduct Vulnerability Assessments in the field and offer entrance into shelters when beds are available. When beds are not available, outreach staff work to connect persons to other homeless resources and provide Housing Navigation services in the field.

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

As per the Mayor's proposed 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 USICH Housing First Model, helping homeless individuals and families quickly and easily access and sustain permanent housing, emergency, and transitional housing programs are also benefiting from these resources.

San Diego is at a tipping point in its provision of homeless services. Community resources have been reassessed and streamlined. In addition to the Single Adult Day Center (formerly the Neil Good Day Center) and the three shelter programs (Single Adult, Veterans and Families, serving 484 individuals and 45 families), that provide basic services, case management and housing navigator services to refer clients to appropriate housing; in FY18, the SDHC opened 3 Bridge Shelters for homeless individuals, Veterans, and families to obtain immediate shelter and rapidly transfer into a more permanent housing solution. The first of the three Temporary Bridge Shelters was opened for Single Adults on December 1, 2017, followed quickly by the opening of the Veterans Temporary Bridge Shelter in late December 2017, and the opening of the Families with Children & Single Women Shelter in January of 2018. These new shelters, serving 674 persons daily are unique to the region, providing a safe and stable shelter

environment with direct connection to 5- 8 housing navigation staff at each shelter, who focus on rapidly rehousing shelter residents into permanent housing or other long-term housing options, depending on their vulnerability assessment, and CES housing resource match. Referrals are made via the CES for those persons already matched to a housing resource but in need of immediate shelter. This allows Shelter residents to work with Housing Navigators in a stable environment, while also having access to a multitude of resources, assistance with documentation, meeting medical and mental health needs, benefit eligibility, etc.

In addition, each Temporary Bridge Shelter has its own Outreach team, that coordinates with RTFH staff, as well as the IOT and SDPD HOT teams, to ensure that outreach is occurring in targeted hot-spots throughout the downtown area as well as other areas throughout the city in need of outreach. Outreach workers conduct Vulnerability Assessments in the field and offer entrance into Shelter when beds are available. When beds are not available outreach staff work to connect persons encountered to other homeless resources and provide Housing Navigation services in the field.

Under the Housing First--San Diego Initiative, the SDHC rolled out a Homeless Prevention and Diversion Program in FY18 designed to assist at-risk people from becoming homeless and to divert homeless persons from shelters directly to housing solutions. Over a three-year period, this program will provide financial assistance for over 800 households to remain in their current housing or assist newly homeless households gain rapid access to housing.

The City of San Diego and the Housing Commission also support an inclement weather program that provides homeless individuals and families with night shelter from the cold and/or wet winter nights. Additionally, 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 Re-Housing model. Some of the transitional housing providers have reassessed their programs and converted to permanent housing units.

**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 short-term and 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 rental assistance. Clients receive case management to gain employment and financial competency.

All City permanent housing programs use the RTFH's Coordinated Entry System. The System gives priority to Veterans, chronically homeless individuals and families who score high on the vulnerability index and are most in need to gain access to housing. In December 2017, the SDHC opened 3 Bridge Shelters for homeless individuals, Veterans, and families to obtain immediate shelter and rapidly transfer into a more permanent housing solution. These new shelters serve 674 persons daily, providing a safe, and stable shelter environment, and direct connection to housing navigation staff at each shelter, whose main focus is to rapidly rehouse shelter residents into permanent housing or other long-term housing.

The Commission was awarded a CoC grant funding housing and case management for transitional age youth in FY 18. This ongoing grant assists young adults aged 18-24 to gain permanent housing by providing them with financial assistance to rent a unit and case management to maintain housing stability.

The Housing First San Diego Initiative of the Commission rolled out Moving Home, a rapid rehousing program. The program will assist 600 households over three years experiencing short term homelessness move into permanent housing by providing financial assistance and services designed to maintain housing stability.

In FY 2018 the Commission in partnership with the City released an RFP for Transitional Storage Center for homeless persons. The Center keeps homeless San Diegans' belongings off of downtown streets, sidewalks and storefronts by providing a safe place for homeless individuals to keep their belongings as they look for work, attend classes, or meet with a service provider or doctor. The new Center is operated by Mental Health Systems and provides for up to 500 individual bins. Mental health Systems is a provider experienced in working with homeless populations as well as providing storage center services. This storage center is in addition to the current storage center operated by Think Dignity, which provides for up to 350 bins for individual storage and serves a minimum of 550 individuals.

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 wait list 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.

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

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. During 2018, the Housing Commission's full commitment of PBV targeting the homeless reached a cumulative total of 997. The Housing Commission anticipates meeting the aforementioned benchmark when construction is completed on five developments with PBV commitments.

Sponsor-based subsidies assist individuals identified as homeless through the provision of permanent supportive housing while supportive services are provided by the sponsor organizations. Additionally, a transitional subsidy program provides a flat subsidy to partnering agencies to ensure homeless individuals are housed while appropriate housing solutions are identified. The coordinated assessment referral system is utilized in these programs.

Project One for All (POFA) is a county initiative that provides full wrap-around services for homeless persons with serious mental illness, including individuals who are exiting from mental health facilities. The County of San Diego partners with Housing Authorities (including San Diego Housing Commission), non-profits, health clinics, and housing developers to provide stability to homeless persons with mental illness. The program is on track to far exceed their goal of housing 250 individuals with wraparound services.

In FY 18 the City and the Housing Commission rolled out the SMART Pilot Program, which stands for San Diego Misdemeanants At-Risk Track. The program will provide temporary housing and access to drug treatment programs to "Chronic Offenders" in collaboration with the San Diego Police Department and Superior Court. The objective of the program is to reduce repeat citations and misdemeanor charges by providing temporary housing beds, treatment programs, and assistance with finding permanent housing

and jobs as a pathway out of an at-risk lifestyle.

**Discussion**

None.

**AP-70 HOPWA Goals– 91.220 (I)(3)\***

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	0
Tenant-based rental assistance	0
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	0

*\*Please note: HOPWA goals and outcome numbers have been transferred to County of San Diego as the Alternative Grantee to the HOPWA grant.*

## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction:**

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

1. Income and wages are not keeping pace with rising housing costs and the overall cost of living.
2. Federal resources for programs, such as the federal Section 8 Program, do not match the 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. A backlog of infrastructure and public facilities investment needs.
8. Impediments to Fair Housing.

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

The City is addressing the barriers to affordable housing through:

- The prioritization of job readiness & economic development as a Five-year Consolidated Plan Goal.
- Implementing a place-based geographically targeted allocation process that prioritizes the lowest income areas needing the most investment.
- Enforcing 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.
- Maintaining the housing impact 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.
- Offering 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.”
- Allowing additional incentives to developers who provide affordable housing; including an expedited

permit process, reduced water and sewer fees, and multifamily bond financing

- Implementing recommendations from the San Diego Regional Analysis of Impediments to Fair Housing Choice.
- Continuing to update Community Plans, which are components of the City's General Plan & which specify the location & 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.

#### **Discussion:**

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

- Increasing wage earning for Section 8 participants by enhancing Achievement Academy services.
- Providing Low Income Housing Tax Credits (LIHTC) as an indirect federal subsidy to finance the construction and rehabilitation of low-income affordable rental housing. This 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.
- Providing loans, closing cost assistance grants and mortgage credit certificates for first-time low/moderate-income homebuyers.
- Maintaining over 3,000 affordable housing units and preparing to purchase additional multi-family properties.
- Offering incentives to affordable housing developers which include:
  - o Permanent financing in the form of low-interest loans, tax-exempt bonds and land-use incentives;

- o Technical assistance, such as help with securing tax credits; and,
- o Predevelopment assistance loans and grants to help non-profit developers during the preconstruction phase.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

This section discusses the City's efforts in addressing underserved needs, expanding and preserving affordable housing, reducing lead-based paint hazards, and developing the institutional structure for delivering housing and community development activities.

### **Actions planned to address obstacles to meeting underserved needs**

STRATEGIC ACTIONS (AS LISTED BELOW) WERE IDENTIFIED IN THE CONSOLIDATED PLAN IN ORDER TO ADVANCE THESE GOALS:

1. Inclusive Economic Growth, Economic Resiliency, and Sustainability, and Catalytic Neighborhood Investments: In an effort to direct critical HUD resources and make demonstrable progress toward achieving the eight Consolidated Plan Goals, the City has outlined the following distribution of CDBG funds for Fiscal Years 2020 – 2024. The City anticipates a 40% reduction from FY 2020 to FY 2021, so the following budgetary priorities were established:

- **Public Services [up to 15% annually]:** This portion of the funds allow for public services to be delivered to the City's most vulnerable populations. Council Policy 700-02 establishes a portion of Public Services funding for services to assist the homeless population. Pursuant to San Diego City Council No. R-310812, adopted December 16, 2016 up to \$1,318,078 in CDBG Public Service funds are dedicated to assisting with the costs of homeless programs and services. In addition, the City has established two distinct Consolidated Plan Goals for public service activities; a workforce development goal and another goal focusing on vulnerable populations. In FY 2020, the City was able to substantially increase the number of Public Service projects receiving awards because of the additional program income received.
- **Community Economic Development [15% for FY 2020, 25% for FY 21-24]** Activities funded through this program are intended to promote economic opportunities including job readiness and business/microenterprise development. The new Consolidated Plan goal has a greater focus on small businesses and supporting local entrepreneurs. The additional program income has allowed the City to establish an early-stage Development Accelerator program and a Small Business Revolving Loan fund to further enhance the opportunities for economic growth throughout the City for low to moderate residents.
- **City Capital Improvement Projects [up to 25% for FY 2020, 10% for FY 2021-2024]** Funds here are dedicated to the investment in the City's critical public infrastructure needs to support neighborhood safety and improved livability.
- **Nonprofit Capital Improvement Projects [up to 5% for FY 2020, 15% for FY 2021-2024]** The City updated the nonprofit capital improvement project goal to identify impactful projects that improve or

expand services to the City's most vulnerable populations.

- Affordable Housing [up to 25% for FY 2020, 20% for FY 2021-2024] Housing remains a pressing issue in the City of San Diego and the City will continue to fund affordable housing opportunities throughout the Consolidated Plan cycle.

### **Actions planned to foster and maintain affordable housing**

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

### **Actions planned to reduce lead-based paint hazards**

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

In 2002, the City enacted San Diego Municipal Code Division 10, (Section 54.1001 et seq.) making it unlawful for a property owner to maintain or cause a lead hazard. In 2008, Division 10 was renamed the "Lead Hazard Prevention and Control Ordinance" was amended to become one of the most comprehensive local lead poisoning prevention ordinances in the nation. In addition to requiring property owners to maintain their properties, the ordinance requires:

- Contractors conduct renovation in a lead-safe manner and conduct a visual verification and lead dust clearance testing
- Landlords to conduct a visual assessment and correction of potential lead hazards at unit turnover
- Home improvement and water pressure equipment rental stores required to make available lead education material to customers
- Childcare facilities to obtain proof of blood lead testing at enrollment

The LSHHP will continue to respond to all tips and complaints related to violations of the Ordinance. It is anticipated that the lead related enforcement activities will be funded through a contract with the County of San Diego. This agreement will protect children from exposure to lead hazards by:

- Issuance of violation notices based on environmental investigation reports conducted by the County in response to a childhood lead poisoning investigation
- Conduct pro-active code enforcement by visual assessments of properties in the highest risk areas of San Diego and require property owners to eliminate severely deteriorated paint on housing built prior to 1979, or demonstrate the deteriorated paint is not lead-containing
- Respond to tips and complaints related lead hazards in housing and unsafe work practices

The new code enforcement management system implemented in FY 2019 allows LSHHP staff to send an

informational letter by mail or e-mail related to the lead-safe work practice requirements. The new system sent over 1,100 such notifications to various construction contact persons in 2018. The LSHHP will continue to use this system throughout FY 2020 to educate contractors and their associates of the lead-safe work practices requirements of the Ordinance, and how meeting these requirements protect their clients, themselves and their children from exposure to lead hazards.

In December 2013, the Santa Clara County Superior Court issued a judgment in *The People of the State of California v. Atlantic Richfield Co, et al.*, that three paint manufacturers had actively promoted the use of lead-based paint as safe for the use in the interior of homes. After 16 years of vigorous litigation, the court ruled that these defendants were liable for damages arising out of the sale of lead-based paint before it was banned in 1978. As a result, multiple California jurisdictions were awarded a total \$409 million, with the City of San Diego's portion being \$17.3 million. Although there are still court determinations that need to be finalized, funding could be available throughout FY 2020. As noted in the Judges Orders, these funds will be used primarily to eliminate lead hazards in privately owned residential housing built prior to 1951. The funding

will also be used to implement an education and outreach campaign and fund lead-hazard remediation work force development. The City will have 4 years to implement and expend these funds from the date the funds are deposited into the account of a court-appointed Receiver. In FY 2020, the LSHHP will work to establish all of the contracts needed to implement the program such that the enrollment, inspection, and abatement activities can begin shortly after the funding becomes available.

### **Actions planned to reduce the number of poverty-level families**

Through its CDBG allocations, the City of San Diego funds a variety of projects under. The majority of these projects are microenterprise activities that provide training in business development, financial literacy and technical assistance both individually and in a classroom setting.

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

### **Actions planned to develop institutional structure**

The City has shifted from an application-driven process to a goal-driven, outcome-oriented process based on need and best practice. There are three new Strategic Actions proposed in the Consolidated Plan that the City will implement through the Consolidated Plan cycle:

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

These actions will shift the focus in the prior Consolidated Plan to impactful projects and increase the capacity of City of San Diego residents and the nonprofits. Projects in FY 2020 such as the Neighborhood Business Investment program and the Catalytic Neighborhood Investment program are the pilot programs that will guide these strategies.

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

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

### **Discussion:**

None.

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

#### Introduction:

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

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.220(I)(1)

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

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	31,403,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>31,403,000</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	95.00%

#### HOME Investment Partnership Program (HOME)

##### Reference 24 CFR 91.220(I)(2)

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

as follows:

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

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

The Housing Commission will recapture that portion of HOME program investment unforgiven by the elapsed affordability period or recapture the maximum net proceeds from the sale of property (whether recapture is affected through foreclosure or no foreclosure action). Net proceeds recovered will be used to (1) Reimburse the HOME program (approved activity) for the outstanding balance of HOME funds not repaid or forgiven during the applicable affordability period at the time of recapture. (2) Reimburse the HOME program (administration) for “holding costs” or other costs associated with the recapture action (legal fees, insurance, taxes, realtor fees, appraisal/BPO costs, etc.) If net proceeds recaptured are less than the outstanding balance of HOME funds invested in the property (for all approved activities and holding costs incurred), the loss will be absorbed by the HOME program and all HOME program requirements would be considered to have been satisfied. If net proceeds recaptured are greater than the outstanding balance of HOME funds invested in the property (for all approved activities and holding costs incurred), the balance of net proceeds would be distributed to the homeowner (or his/her estate). If the recapture of proceeds is effectuated through a completed foreclosure action, and the property is legally owned by the Housing Commission the balance of net proceeds recaptured will inure to the Housing Commission.

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

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

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

For acquisition/rehabilitation of existing rental units, the Commission provides refinancing with below market-rate, deferred payment junior mortgages. Acquisition/rehabilitation developments must have at least 20 percent of the units affordable to households at or below 80 percent of median income. Proposals with rents affordable to households with incomes at or below 50 percent

of median family income will receive preference. Proposed projects from impacted census tracts must demonstrate community support. Proposals may not result in a significant displacement of moderate-income households.

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

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

The Housing Commission adopted performance standards in line with the Continuum of Care. These standards include: rapidly re-housing clients into permanent housing within 30 days after the determination of eligibility; retaining this housing for at least six months; attaining or maintaining an income while in permanent housing. The Housing Commission also requires programs use progressive engagement with clients to determine their financial need and receive just enough assistance to maintain housing. The ESG Policies and Procedures can be found in Attachment B, Appendix 3.

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

The San Diego Regional Continuum of Care, now the Regional Task Force on the Homeless, uses a coordinated assessment system as directed by HUD and has piloted it in the City of San Diego, and part of the County in FY 16 & 17. The system uses an assessment tool that scores individuals based on their needs and vulnerability to ensure that regional programs give priority to chronically homeless individuals and families who are at-risk by remaining un-housed. Now called the Coordinated Entry System (CES), it is in use throughout the San Diego region and refers homeless persons to agencies and housing resources designed to provide them with housing solutions to meet their needs.

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

The Housing Commission conducts an open and competitive Request for Proposal (RFP) process for making sub-awards. RFP's are publicly announced in newspapers and on the Commission's website, and the Housing Commission uses an automated service to send announcements of upcoming bids to members of the public.

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

regarding facilities and services funded under ESG.

The Housing Commission does not have homeless or formerly homeless people on its Board of Commissioners nor does the City Council, which is the final approval authority for the Housing Commission. However, the Housing Commission does consult with the Regional Continuum of Care which has formerly homeless individuals as members. Subcontractors who administer the shelters and the rapid re-housing programs have formerly homeless individuals in their organizations who help shape policies and make decisions about services and programs that receive ESG funding. These organizations also provide opportunities and encourage homeless clients to give their input regarding homeless programs.

5. Describe performance standards for evaluating ESG.

The Housing Commission has adopted performance standards for rapid Re-housing that are in line with the Continuum of Care. These standards include: rapidly re-housing clients into permanent housing within 30 days after determination of eligibility; retaining this housing for at least six months; attaining or maintaining income while in permanent housing. The Housing Commission also requires that programs use (1) a progressive engagement approach with clients to determine their financial need and receive just enough assistance to maintain housing; and (2) Housing First to ensure clients attain housing prior to taking steps to address any other significant issues with which they may be struggling (e.g., substance abuse, mental health, gaining or increasing income).

**Discussion:**