

Five-Year Strategic Plan

Revised May 2007

The FY 2005 - FY 2009 San Diego Consolidated Plan outlines the City's community development strategy for creating livable, vibrant, and safe communities. The five-year Housing and Community Development Strategic Plan is the centerpiece of the Consolidated Plan that sets forth the City's specific plan of action to address the goals, objectives, and measurement benchmarks necessary to address the needs identified in the needs assessment.

The CP encourages collaboration and community empowerment in four primary areas:

1. Development of decent and affordable housing;
2. Community and supportive services;
3. Public improvements; and
4. Expansion of economic opportunities and anti-poverty activities.

In addition, this section will discuss the institutional structure that exists and areas for improvement in delivering housing and community development services to the community.

4.1 Strategic Framework

The overall strategic framework for the Consolidated Plan is consistent with a number of important City documents, including, but not limited to the following:

- Strategic Framework Element of the General Plan
- Housing Element of the General Plan
- Affordable Housing Task Force Recommendations
- Community and Economic Development Strategy

Strategic Framework Element of the General Plan

The Strategic Framework Element represents the City's new approach for shaping how the City will grow, while attempting to preserve the character of its communities and its most-treasured natural resources and amenities.

City of Villages

The essence of the Strategic Framework Element is the City of Villages strategy, a wide-ranging approach to improving the quality of life for all San Diego residents. The strategy addresses the urban development trends of the past and the challenges of the near future, while outlining implementation strategies for the continued growth of the City beyond the year 2020. The focus of the strategy is determining where and how new growth and redevelopment occur to ensure the long-term environmental, social, and economic health of the City and its many communities.

The strategy seeks to target growth in village areas. Conceptually, the City of Villages reinforces and enhances the existing patterns of development found in the City's communities. It draws upon the strengths of San Diego's natural environment, neighborhoods, commercial hubs and employment centers and utilizes existing and new village centers for further intensification. In order to preserve the City's single-family neighborhoods, higher-density redevelopment is directed into five distinct land use districts or village types that permit higher density development.

The strategy defines a village as the heart of the community, where residential, commercial, employment and civic uses are integrated. Villages are to be pedestrian-friendly and have inviting public spaces for community events. Villages will offer a variety of housing types and densities and be supported by excellent transit service and public facilities such as schools and parks.

Programs, activities, and improvements that serve to support the City of Villages approach to neighborhood revitalization and development will be evaluated for eligibility for funding under the CDBG, HOME, and ESG programs, as well as for redevelopment funds.

Policy Direction

The policy direction of the Strategic Framework Element is based on the community's vision and core values, which include:

- Create diverse village centers to accept intense commercial and residential development
- Maintain the distinctive character of communities and preserve single-family neighborhoods
- Increase walkability in City neighborhoods
- Facilitate development patterns that can be served by adequate infrastructure
- Focus infrastructure investments in communities that demonstrate a need for such resources
- Conserve, protect and restore natural resources
- Encourage efficient land use and development
- Integrate land use and transportation planning to improve mobility
- Support plans that make transit a viable option for peak and non-peak trips
- Ensure that the housing supply accommodates future population growth
- Balance the distribution of affordable housing among communities

- Retain and attract businesses that diversify the economic base and offer high-quality employment opportunities
- Lead regional collaboration and strengthen border relations
- Create and maintain stable, economically and socially diverse communities through means that distribute equitably the costs and benefits of development
- Ensure that residents can afford to remain in their community when it is improved

Housing Element of the General Plan

The City of San Diego Housing Element establishes housing goals and policies for guiding housing development throughout the City. The City has established the following housing goals:

- Ensure the provision of sufficient housing for all income groups to accommodate San Diego's anticipated share of regional growth
- Maintain at a high level and update, when necessary, the quality, safety, and livability of San Diego's housing stock, with an emphasis on preservation of San Diego's affordable housing stock
- Minimize governmental constraints in the development, improvement, and maintenance of housing without compromising the quality of governmental review or the adequacy of consumer protection
- Significantly increase the number of affordable housing opportunities, both for lower income renters and first-time homebuyers
- Facilitate compliance of all applicable federal, state, and local laws and regulations; promote achievement of fair share housing goals; promote conservation of non-renewable energy resources; and promote consistency with the remainder of the General Plan and other major Citywide planning efforts

The Consolidated Plan seeks to implement goals of the Housing Element. Specifically, the Consolidated Plan offers programs using CPD funds to facilitate construction of affordable housing, addressing the critical unmet needs of lower income households. Rehabilitation assistance is provided to preserve and upgrade the housing stock. Revitalization activities are also pursued to improve neighborhood quality. Homeownership assistance is provided to expand affordable housing opportunities for first-time homebuyers. Fair housing services are provided to affirmatively further fair housing choice.

Affordable Housing Task Force Recommendations

In recognition of the housing crisis in San Diego, where housing demand significantly exceeds supply, the City established the Affordable Housing Task Force (AHTF) in 2002 to provide recommendations to the City Council on a broad-based strategy to address the crisis. AHTF was comprised of 20 members, representing a variety of interests, including community organizations and planning boards, housing and environmental advocates, charitable organizations, academics, affordable housing developers, realtors, apartment owners, business and labor.

Key Recommendations

The final AHTF report, distributed in June 2003, included over 60 recommendations covering a broad spectrum of topics. The recommendations fell into four distinct categories; housing production goals, finance and revenue, development regulations and incentives, and renters and housing preservation issues. Many of the recommendations have already been acted upon; many more are in process. Key recommendations include:

- Adoption of regulations for condominium conversion to provide tenant relocation assistance and promote the inclusion of affordable housing;
- Increase the level of the Commercial/Industrial Housing Impact Fee (linkage fee); and
- Amendments to the City's Single-Room Occupancy Ordinance.

Housing for Persons with Disabilities

Of special interest to AHTF was the topic of housing opportunities for persons with disabilities. AHTF made four specific recommendations to increase the level of accessible housing:

- 25 percent of any and all public land, subsidies, redevelopment, collaborative funding mechanisms, bond proceeds, NOFA, etc. dedicated to affordable housing initiatives shall incorporate defined principles of universal design, accessibility for all, adaptability and visitability in all new housing, including townhomes. *(This recommendation is being implemented with proposed universal design standards to be presented to the Land Use and Housing Committee in Spring 2004.)*
- SDHC, Planning Department, and Development Services Department to provide information to developers regarding and encouraging construction of units incorporating universal design. *(This recommendation has been implemented, with information being updated periodically.)*
- Staff to track the creation of adaptable housing projects in the City and report to the City Council annually. *(This recommendation is being implemented on an ongoing basis, with information being updated periodically.)*
- Expand the current Technical Advisory Committee responsibilities to devise and effectively increase accessibility and adaptability in townhomes

and residential developments of three units or less. *(This recommendation has been implemented.)*

Community and Economic Development Strategy

The City's economy is increasingly being threatened by issues such as traffic congestion, air and water pollution, cost of energy, and neighborhood quality. The Community and Economic Development Strategy examines issues and proposes actions in the following five issue areas:

- **Regional Economic Prosperity** – continuing business development incentives, with an emphasis on key middle income-producing industries
- **Increasing Economic Opportunity** – expanding job training and skills development and connecting jobs to the training
- **Implementing Smart Growth** – coordinating redevelopment and business development activities to smart growth goals
- **Energy Independence** – implementing and promoting conservation and related measures to businesses
- **Revenue Enhancement** – continuing revenue enhancement activities

4.2 Consolidated Plan Goals and Resources

Consolidated Plan Goals

In helping to achieve the vision of the City and address concerns of residents, the City has developed the following Consolidated Plan goals to provide guidance for projects and activities to be undertaken during the FY 2005 - FY 2009 Consolidated Plan period:

- Expand and preserve a continuum of affordable housing opportunities
- Revitalize low and moderate income neighborhoods to create healthy and sustainable communities
- Provide community and supportive services for low and moderate income persons and those with special needs
- Support efforts to develop/complete the Continuum of Care System for the homeless through the provision of emergency shelters, transitional housing, permanent supportive housing, and supportive housing services
- Promote economic development opportunities
- Promote self-sufficiency

- Increase financial literacy and wealth building assets

CPD Resources Available

The Strategic Plan of this Consolidated Plan focuses on activities to be funded with the five entitlement grants (CDBG, HOME, ESG, ADDI¹, and HOPWA) from HUD. HUD allocates CDBG, HOME, ESG, ADDI, HOPWA funding to eligible jurisdictions on a formula base, using factors such as population, income distribution, and poverty rate. For the period covering July 1, 2004 through June 30, 2005, the City's Consolidated Plan funding allocations are:

- CDBG: \$18,260,00
- HOME: \$9,534,450
- ESG: \$682,097
- ADDI: \$515,181
(in addition, \$436,583 is available from 2003 that was not allocated to the City due to lack of authorizing legislation at the time)
- HOPWA: \$2,683,000
(funding is allocated to the City to provide housing assistance and services for all jurisdictions within San Diego County)

Leveraging of CPD Resources

Various funds are available to leverage the CPD resources. The following are two key funding sources that have been used to leverage CPD resources.

Housing Trust Fund: The San Diego Housing Trust Fund was created by City Council Ordinance on April 16, 1990. The Housing Trust Fund receives most of its funding from an impact fee on commercial development. Housing Trust Fund monies can be used in a variety of ways including loans, grants, or indirect assistance for the production and maintenance of assisted units and related facilities. To comply with the Ordinance, Housing Trust Fund monies shall be allocated: 1) at least 10 percent to Transitional Housing; 2) at least 60 percent to very low-income households (defined as households with incomes at or below 50 percent of area median income); 3) no more than 20 percent to housing for low-income households (defined as households with incomes between 50 percent and 80 percent of area median income) and 4) no more than 10 percent to median income first-time homebuyers. The SDHC recently received a one-time \$2,000,000 State grant as matching funds under the Housing Trust Fund's rental housing production program

Proposition 46 – The Housing and Emergency Shelter Trust Fund Act: This Act provides funding for construction, rehabilitation and preservation of affordable rental housing, emergency shelters and homeless facilities, as well as funds that can be used to provide downpayment assistance to low and moderate income first-time homebuyers. Proposition 46 funds are allocated to existing and new state programs over a three- to five-year period and are distributed through two state agencies: HCD and CalFHA. Proposition 46 funds have been allocated to existing programs such as the Multifamily Housing Program, CalHOME Program, and the Emergency

¹ ADDI (American Dream Downpayment Initiative) is a new program authorized in 2004.

Housing and Assistance Program. The City has received approximately \$11.3 million dollars or 45 percent of the region-wide amount. Highlights of recent awards specifically committed to activities in the City of San Diego include:

- \$5.9 million for affordable rental housing units through HCD's Multifamily Housing Program to assist the new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households.
- \$2 million from the Local Housing Trust Fund Program, a one-time matching grant for jurisdictions with existing Housing Trust Funds; revenues can be used for the development of affordable multifamily rental housing.
- \$1.5 million through the CalHOME Program to help low and very-low income households become or remain homeowners.
- \$500,000 in Exterior Accessibility Grants for Renters funds to help lower income tenants with disabilities make accessibility-amenable exterior modifications to their rental housing.
- \$1.4 million in Emergency Housing and Assistance Program funds for making capital improvements to homeless facilities.

Two new affordable housing initiatives will be funded through the Proposition 46 bond measure. Both programs will assist homebuyers by providing assistance in the form of grants to eligible cities and counties: Building Equity and Growth in Neighborhoods (BEGIN) Program and Workforce Housing Reward Program.

BEGIN is a \$72 million new construction homeownership program for low- and moderate-income first-time homebuyers. Approximately \$10.8 million of the total program revenues are earmarked for Southern California. HCD issued a statewide Notice of Funding Availability in January 2004 for \$24 million.

The Workforce Housing Reward program encourages cities to develop new residential housing while rewarding those jurisdictions that approve housing for low-income households. This award program does not use a competitive process to award funds; instead, jurisdictions will be funded based on the number of low-income housing units approved during a specific time period. A total of \$66 million dollars of Proposition 46 funds are allocated for this program, \$23 million of which will be awarded in the most current funding cycle. Applications for Workforce Housing Reward Program funds will be accepted beginning in December 2004 and award announcements will be made in June 2005.

4.3 Summary of Five-Year Priorities and Objectives

Priority Ranking

A priority ranking has been assigned to each category of housing and community development need according to HUD criteria. The ranking is assigned based on community input, needs analysis by various public and service agencies, housing and community development needs assessment conducted as part of this Consolidated Plan, and the availability of non-CPD (HUD Community Planning and Development) funds to address the needs.

- **High Priority:** Activities to address this need are expected to be funded with CPD funds during the five-year period.
- **Medium Priority:** If CPD funds are available, activities to address this need may be funded during the five-year period.
- **Low Priority:** The City will not directly fund activities using CPD funds to address this need during the five-year period. However, the City may support applications for public assistance by other entities if such assistance is found to be consistent with this Plan.
- **No Such Need:** The City finds there is no need for such activities or the need is already substantially addressed. The City will not support applications for public assistance by other entities for activities where no such need has been identified.

Affordable Housing

Based on results of the Housing and Community Development Needs Survey, the City of San Diego Housing Element, and recommendations of the Affordable Housing Task Force, expanding the supply and improving the quality of affordable housing for low and moderate income households are high priority goals for the City over the next five years.

Major acquisition/ rehabilitation and new construction of housing will be funded primarily with HOME funds. CDBG funds will be used to help deliver housing programs and services to residents. Table 4-1 presents the priority level for various income groups and household types, and summarizes the proposed “quantifiable” objectives for the next five years. Specific implementing programs are described later.

Community Development

CDBG, ESG, and HOPWA funds will be used to support a range of community development needs, including community and supportive services, public improvements, and economic development. The community development priorities established by the City for the next five years based on input from the community, city departments, and service agencies are presented in Table 4-2. Where possible and appropriate, information on estimated CPD funding allocation is included. Specific objectives benefitting persons with special needs are summarized in Table 4-3.

Table 4-1: Five-Year Housing Needs and Priorities

Priority Housing Needs		Income	Priority Need Level	Unmet Need	Goals
Renter	Small Related	0-30%	H	11,675	570
		31-50%	H	10,329	570
		51-80%	M	9,639	90
	Large Related	0-30%	H	5,715	570
		31-50%	H	6,018	570
		51-80%	M	5,300	90
	Elderly	0-30%	H	4,913	655
		31-50%	H	3,880	657
		51-80%	M	2,565	195
	All Other	0-30%	H	13,348	315
		31-50%	H	10,644	315
		51-80%	M	11,829	90
Owner	Small Related	0-30%	M	2,042	21
		31-50%	H	2,631	330
		51-80%	M	6,070	155
	Large Related	0-30%	H	850	109
		31-50%	H	1,754	260
		51-80%	M	3,278	70
	Elderly	0-30%	H	3,380	105
		31-50%	H	3,206	157
		51-80%	M	3,315	60
	All Other	0-30%	H	1,883	34
		31-50%	H	1,428	65
		51-80%	M	2,795	130
Special Populations		0-80%	H		1,822
Total Goals					6,175
Section 215 Renter Goals					4,450
Section 215 Owner Goals					1,288

Notes:

1. Unmet needs are based on 2003 HUD CHAS data for households with housing problems by household income and type.
2. A small related household is defined by HUD as a household of 2 to 4 persons, which includes at least one person related to the householder by birth, marriage, or adoption. A large related household is a household of 5 or more persons, which includes at least one person, related to the householder by blood, marriage or adoption.
3. Housing goals include anticipated accomplishments under the following programs: homeownership assistance programs; owner-occupied rehabilitation programs; renter-occupied rehabilitation programs; Shared Housing; and CHDO housing development.
4. Section 215 Goals are affordable housing that fulfill the criteria of Section 215 of the National Affordable Housing Act. For rental housing, a Section 215 unit occupied by a low income household and bears a rent that is less than the Fair Market Rent or 30% of the adjusted gross income of a household whose income does not exceed 65% of the AMI. For an owner unit assisted with homebuyer assistance, the purchase value cannot exceed HUD limit. For an ownership unit assisted with rehabilitation, the mortgage amount cannot exceed HUD limit. This table assumes 50% of the City's assistance to households with incomes between 51 and 80% is targeted toward households with incomes not exceeding 65% of the AMI.

Table 4-2: Five-Year Community Development Needs and Priorities

Priority Community Development Needs	Priority Needs Level	Goals	Estimated CPD Dollars to Address
Public Facility Needs			\$55,000,000 (including approximately \$23,000,000 for repayment of Section 108 loans used to finance major public improvement projects)
ADA/Architectural Barrier Removal	H	An estimated 90 public facility and infrastructure improvement projects will be pursued	
Senior Centers	H		
Handicapped Centers	H		
Homeless Facilities	H		
Youth Centers	H		
Child Care Centers	M		
Health Facilities	M		
Neighborhood Facilities/Libraries	H		
Parks and/or Recreation Facilities	H		
Parking Facilities	M		
Non-Residential Historic Preservation	L		
Other Public Facility Needs	M		
Infrastructure Needs			An estimated 90 public facility and infrastructure improvement projects will be pursued
Water/Sewer Improvements	M		
Street Improvements	H		
Sidewalks	H		
Solid Waste Disposals Improvements	M		
Flood Drain Improvements	M		
Other Infrastructure Needs	M		
Public Service Needs			\$15,000,000
Senior Services	H	An estimated 10,000 persons will be served by various service agencies	
Handicapped Services	H		
Youth Services	H		
Child Care Services	H		
Transportation Services	M		
Substance Abuse Services	M		
Employment Training	H		
Health Services	M		
Lead-Hazard Screening	M	1,000 units	
Crime Awareness	M	N/A	
Other Public Service Needs	M	N/A	
Economic Development			\$3,500,000
ED Assistance to For Profit	M	Assist 10 businesses and create 75 jobs (infrastructure improvements are included in objectives above)	
ED Technical Assistance	M		
Micro-Enterprise Assistance	H		
Rehab; Public/Private/Owned Com'l/Industrial	H		
CI Infrastructure Development	H		
Other Commercial/Industrial Improvements	M		
Planning and Administration	H	N/A	\$8,000,000

Table 4-3: Summary of Five-Year Quantified Objectives for Special Needs Populations

Special Needs Category	Priority	Unmet Need ¹	Primary Programs	Estimated Dollars	Five-Year Quantified Objectives
Elderly/Frail Elderly	H	11,358 ⁴	Shared Housing		300 seniors
			Housing Rehabilitation	\$5,250,000 (@ \$5,000 per rehab assistance)	1,050 senior households
Physically Disabled	H	194,000 ⁵	ADA Improvements	\$7,000,000	A range of ADA improvements throughout the City
Severe Mental Illness ²	H		Supportive Services	\$600,000	N.A.
Developmentally Disabled ²	M				
Persons w/ Alcohol/Other Drug Addictions ³	L	N.A.	The County provides a range of services for this group; no specific CPD funding is targeted for this group. However, some residents with drug and alcohol problems will receive services through transitional housing services supported with ESG grants		
Homeless	H	6,500	Emergency Shelter and Transitional Housing	\$3,400,000	1,500 persons
			Homeless Emergency Shelters		20,000 persons (duplicated counts)
Persons w/HIV/AIDS ⁶ (Countywide)	H	3,955	Housing Assistance	\$6,000,000	320 persons
			Supportive Services	\$2,400,000	3,500 persons (duplicated counts)
			Transitional Housing Development	\$2,000,000	N.A.

Notes:

1. Unmet needs based on Census and other estimates of the special needs populations.
2. While unmet needs exist, non-CPD funding sources are used to address these needs.
3. National estimates that approximately 30 to 40% of the urban homeless have drug and alcohol problems. This table assumes an urban homeless population of approximately 6,500. Dollars to address needs and objectives are included in homeless programs.
4. Number of seniors with housing problems according to CHAS Data by HUD.
5. A person can have multiple disabilities. The Census indicated approximately 194,000 persons with disabilities in the City of San Diego.
6. HOPWA funds are allocated to the largest jurisdiction in each metropolitan area for administration purposes, i.e. City of San Diego. However, the funding is intended for services and programs serving all residents in the region.

4.4 Housing

Consolidated Plan Goals

The housing programs included in this five-year strategy seek to implement the following Consolidated Plan goals:

- Expand and preserve a continuum of affordable housing opportunities
- Revitalize low and moderate income neighborhoods to create healthy and sustainable communities

Statement of Need

Low and moderate income households continue to pay a large proportion of their income for housing. Specifically, compared to other income groups, a larger proportion of low and moderate income renter-households tend to experience housing cost burden (paying more than 30 percent of income) and other housing problems such as overcrowding and inadequate housing conditions. As presented in Chapter 3 of this Consolidated Plan, Housing and Community Needs Assessment, 80 percent of all extremely low and low income households in the City experienced housing problems. Additionally, the Housing and Community Development Needs Survey showed that affordable rental housing and homeownership assistance were considered the highest housing needs.

Overall Housing Strategy

Community Planning and Development (CPD) funding sources dedicated to housing (and related services) will include a portion of CDBG funds (approximately 10 percent) and HOME funds (100 percent) received by the City from HUD. These funds will continue to support core programs currently administered by the City and SDHC, as well as any additional programs deemed necessary to meet the housing needs identified in this Consolidated Plan. At least 15 percent of the annual HOME allocation will be set aside for affordable housing development activities provided by Community Housing Development Organizations (CHDO's) per HUD regulations. ADDI funds will be dedicated to provide downpayment assistance for low and moderate income first-time homebuyers.

In addition, HOPWA (100 percent) funds will be used to provide supportive and transitional housing for persons with HIV/AIDS. ESG (100 percent) funds will be used to provide transitional housing, emergency shelter, and related services for the homeless. Use of HOPWA funds is described later under Community and Supportive Services, while ESG is described under the Homeless needs and Continuum of Care sections.

Consolidated Plan Programs

The City of San Diego provides a number of housing programs through the San Diego Housing Commission (SDHC) that are administered with CDBG and HOME funds. These include, but are not limited to, the following:

Tools for Homeownership

The SDHC provides homeownership assistance through the following housing programs using CDBG, HOME, and ADDI funds:

Shared Equity (Silent Second Trust Deed) Loans: This program is available to homebuyers earning 80 percent or less of the AMI. The Shared Equity loans are zero percent interest and require no monthly payments of principal. The loan term is 30 years. The maximum loan amount is \$72,580 or 25 percent of the purchase price, whichever is less, as established by HUD. Currently (March 2004) the maximum HUD purchase price is \$375,250. If the buyer sells the property within the first 15 years, the equity in the property is shared with SDHC.

HOME WORKS! (Acquisition and Rehabilitation Loans): This program is available to prospective homebuyers earning 80 percent or less of the AMI to purchase and rehabilitate their first home. The “Home Works!” program provides a purchase rehabilitation loan for first-time homebuyers. Home Works! will make a conventional first mortgage as low as 75 percent of after-rehabilitation value (not to exceed \$375,250) combined with a deferred “silent second” mortgage up to a maximum of 25 percent of the after-rehabilitation value up to \$72,580 (as of February 2004). Owner occupancy is required.

Employer Assisted Housing Program: SDHC is working with local employers to develop this new program. SDHC’s shared equity loan and/or downpayment grant programs will supplement the employer’s funding if the homebuyer’s income is 80 percent or below the AMI.

American Dream Downpayment Initiative (ADDI) Program: This new HUD program will provide funding through the HOME program for downpayment assistance to low-income first-time homebuyers to help in the purchase of a home. While the regulations governing this new program have not yet been published by HUD, it is anticipated that this program will complement SDHC’s Tools for Homeownership collection of affordable housing programs. The Initiative indicates the amount of assistance offered under this program shall not exceed the greatest of either 6 percent of the purchase price or \$10,000.

Objective:	Economic opportunity
Outcome:	Affordability
Outcome Statement:	Affordability for the purposes of creating economic opportunity
Indicators:	Number of households moving from rental to homeownership
Five-Year Objectives:	403 households assisted with various federally funded homeownership programs

Tools for Rehabilitation

Owner-Occupied Rehabilitation Programs: SDHC offers two owner-occupied rehabilitation programs:

- **Zero-Percent Deferred Loans:** This program is for single-unit properties - for example, a house, condominium, or town home - occupied by owners earning up to 60 percent of the AMI. The zero interest loans, up to \$10,000, may be used to repair roof leaks, plumbing, electrical or heating systems, broken windows, for fumigation, and other repairs. No monthly payments are required. In fact, the loan does not have to be paid back until the property is sold or an additional loan is taken out against the property.
- **Three-Percent Interest Loans:** This program can be for an owner-occupied, single-unit property or for complexes up to four units, as long as the owner lives in one of the units. These three-percent interest loans can be for up to \$35,000 for a single-unit or up to \$50,000 for two or more units. The loans -- available for owners earning up to 80 percent of the AMI -- are either fully amortized for 15 years, requiring fixed monthly payments, or partially deferred, resulting in lower monthly payments of a minimum of \$50. These loans are reviewed after 15 years to determine a repayment plan for any remaining balance.

Exterior Enhancement Grants: These grants, up to \$5,000, are available to first-time homebuyers earning up to 80 percent of the AMI who desire to purchase and rehabilitate a single-family home or condominium in conjunction with the HOME WORKS! Program.

Lead Paint Reduction Zero percent Deferred Loans: These loans are available up to \$5,000 per unit or up to \$15,000 per housing complex when participating in any of the owner-occupied or rental rehabilitation programs.

Renter-Occupied Rehabilitation Programs: Rental property owners may qualify for assistance to rehabilitate their properties:

- **Zero Interest Loans:** For-profit owners of rental property may be eligible for zero interest loans of up to \$15,000 per unit with payments deferred for ten years. To be eligible, 90 percent of the tenants must be earning no more than 50 percent of the AMI and the owner must agree to charge reduced rents for a ten-year period. Only properties located in targeted neighborhoods are eligible for this program.
- **Three-Percent Simple Interest Loans:** Eligible nonprofit owners of rental properties can receive 30-year loans at three-percent "simple interest" rates to rehabilitate properties located anywhere in the City.

Accessibility Grants for Tenants with Disabilities: Grants up to \$1,000 are available to tenants with disabilities earning less than 50 percent of the AMI for making accessibility modifications, such as making the unit wheelchair accessible.

Objective:	Decent Housing
Outcome:	Availability/Accessibility
Outcome Statement:	Accessibility for the purpose of providing decent housing
Indicators:	a. Total number of owner-occupied units rehabilitated b. Total number of rental units rehabilitated
Five Year Objectives:	1,033 low and moderate income owner-occupied households and 3,750 low income renter-occupied households assisted through various rehabilitation programs

New Construction and Acquisition/Rehabilitation

Community Housing Development Organizations (CHDOs): At least 15 percent of the annual HOME allocation will be reserved to provide affordable housing development and acquisition/rehabilitation activities by CHDOs. The City currently has 17 certified CHDOs that compete for funding.

Housing Production Program: This program involves the development of affordable rental housing through acquisition with rehabilitation or new construction. It includes provision of financing and/or technical assistance to nonprofit and for-profit developers; development of rental housing by SDHC and Housing Development Partners (a nonprofit development corporation affiliated with and staffed by SDHC); and implementation of programs that result in private-sector development of affordable rental housing.

Objective:	Decent Housing
Outcome:	Affordability
Outcome Statement:	Affordability for the purpose of providing decent housing
Indicators:	a. Total number of units assisted with HOME funds. b. Number of years of affordability.
Five Year Objectives:	10 CHDOs/140 housing units; 550 housing units

Rental Assistance

Tenant-Based Rental Assistance (TBRA): This program is currently no an active program but may become active during this Consolidated Plan period. Once activated, the program will provide rental assistance to low-income households.

Supportive Housing Programs and Services

Fair Housing: Fair housing services are provided by the San Diego Fair Housing Council (FHCS). FHCS provides comprehensive fair housing services. Services offered include: advocacy; outreach and education; technical training for housing providers, lenders, and insurance industries; maintenance of a fair housing discrimination investigative, intake, and enforcement process; and collaborations with other entities that further strengthen fair housing activities in the City.

Objective:	Suitable Living Environment
Outcome:	Availability/Accessibility
Outcome Statement:	Accessibility for the purposes of creating a suitable living environment
Indicators:	<ul style="list-style-type: none"> a. Number of workshops held b. Number of clients assisted with counseling c. Number of collaborative meetings with City departments and community organizations d. Number of follow up contacts with clients to ensure accessibility
Five-Year Goal:	2,500 households

Other Programs (Non-CPD Funds)

In addition to programs funded with CPD funds (CDBG, HOME, and ADDI), the City offers a variety of housing programs using other local, State, and federal programs. The following is only a list of other major programs offered by the City and SDHC. By no means does this list represent an exhaustive inventory of programs.

De-concentration Policy

The goal of the de-concentration policy is to mix higher and lower income families at public housing sites (with 20 or more units) so that low-income residents do not end up concentrated in any given community. Implementation began in October 2001. The policy applies to both new and current residents. Current residents will be given incentives to move in order to meet the goals of de-concentration, in accordance with HUD final rules.

In FY02, a \$15,000 relocation fund was created to provide security deposits for Section 8 recipients who are willing to move to de-concentrated areas. A review of this new program in FY03 showed the program to be successful in its efforts to assist families in their relocation efforts. Approximately 30 to 45 families are anticipated to be assisted by June 30, 2003. The Housing Commission has committed an additional \$15,000 from local funds to continue these efforts during the FY04 Action Plan year.

Tools for Homeownership

Downpayment/Closing Cost Assistance Grants: This program is available to First-Time Homebuyers earning 100 percent or less of the AMI. The grant amount is equal to 4 percent (2 percent for downpayment costs and the balance for closing costs) of the purchase price not to exceed \$7,500. The grant must be repaid if the applicant sells or rents the home within the first six years of ownership.

Mortgage Credit Certificates (MCC) Program: The Mortgage Credit Certificates (MCC) program allows a qualified homebuyer a credit each year on their federal income tax, in an amount equal to 15 to 20 percent of the mortgage interest paid that year. The MCC reduces the borrower's federal income tax liability, through a direct credit, thus increasing the income available to qualify for a

mortgage loan. An MCC can have the effect of raising the loan amount, by up to 20 percent, for which a buyer can qualify.

CalHome Mortgage Assistance Program: This program is designed to make funds available to low and very low-income households to help with the purchase of a home within the City of San Diego. This is a State funded program, which is administered by the Housing Commission. The loans have a 30 year term at zero percent interest with no monthly payments. When the buyer sells the property or the CalHome loan is paid in full, in addition to payment of the principal balance, the buyer must pay an amount equal to the CalHome net share of appreciation in value of the property.

First-Time Homebuyer Assistance in Downtown San Diego: In an effort to make home ownership more accessible and affordable, Centre City Development Corporation (CCDC), on behalf of the Redevelopment Agency of the City of San Diego, created a program that assists first-time homebuyers earning 120 percent or less of the AMI to purchase a home in downtown San Diego. This program provides financing, in the form of a second trust deed loan, not to exceed \$75,000. The loan is for 30 years at zero percent interest and has no monthly payments for the first five years. Beginning the sixth year, the buyer will be required to make level monthly principal payments. If the buyer sells within 30 years, they must pay an amount equal to CCDC's share of appreciation in value of the property. From year 30 to year 45, CCDC's share of appreciation is reduced by 50 percent. This is a CCDC-funded program, administered by SDHC.

Tools for Rehabilitation

Mobile Home Repair Grants: Mobile home owners earning up to 60 percent of the AMI may be eligible for one-time-only grants of up to \$3,500 for the repair of health and safety hazards such as roofing, plumbing, electrical, heating, broken windows and porch repair.

HUD Lead Hazard Control Grants: These non-repayable grants to reduce lead hazards in residences occupied or frequently visited by children under six years of age are available for owner-occupied or rental properties with occupants under 80 percent of the AMI and located in eight contiguous communities of Council District 8 in Southeast San Diego. Grants are offered up to \$12,500 for single family residences and up to \$7,500 per multi-family unit plus \$10,000 for common areas.

CalHome Exterior Accessibility Grants for Renters (EAGR): These grants are available citywide to tenants with disabilities and private rental owners with vacancies to be offered to tenants with disabilities earning less than 80 percent of the AMI. Grants up to \$3,000 per unit and \$7,000 for common areas to a maximum of \$25,000 per multi-family complex are offered for exterior accessibility improvements, such as curb cuts, ramps, and exterior door widening.

Tools for Housing Development

Multi-family Bond Program: This program offers below market financing to developers of multi-family rental projects that set aside a portion of the units in their projects as affordable housing. Activities eligible for financing include new construction, acquisition, and rehabilitation of projects located in the City of San Diego. Specifically, a project is eligible for tax-exempt multi-family bond financing if one of the following conditions is met:

- A minimum of 20 percent of the units must be set aside for occupancy by households earning up to 50 percent of the AMI, as adjusted for family size; or
- A minimum of 40 percent of the units must be set aside for occupancy by households earning up to 60 percent of the AMI, as adjusted for family size.

In addition, state law requires that a minimum of 10 percent of the units be set aside for occupancy of households earning up to 50 percent of AMI, as adjusted for family size.

Multi-family Rental Development Program: Under the Multi-family Rental Development Assistance Program, direct loans serve as gap financing to supplement private equity and debt for multi-family housing developments either through new construction or acquisition/rehabilitation. In exchange for a low-interest-rate loan, the developer agrees to restrict rents on a certain number of units for a set period of time.

Density Bonus Program: This State-authorized program is designed to provide a density bonus and one regulatory concession to developers in exchange for reserving a percentage of housing units for low and moderate income or senior households for specified periods of time. Specifically, a development is qualified for density bonus of at least 25 percent (condominiums at least 10 percent) if one of the following conditions is met:

- 10 percent of the units are reserved at affordable cost to households earning up to 50 percent of the AMI;
- 20 percent of the units are reserved at affordable cost to households earning up to 60 percent of the AMI;
- 50 percent of the units are reserved for senior households; or
- 20 percent of the condominium units are reserved at affordable cost to households earning up to 120 percent of the AMI.

Affordable Housing Trust Fund: The City of San Diego's Affordable Housing Fund is a permanent, annually renewable source of funds to help meet the housing assistance needs of the city's very low-, low-, and median-income households. It leverages funds from private investors to help produce affordable housing units. Within the Affordable Housing Fund are two accounts: the Housing Trust Fund account and the Inclusionary Housing account.

Inclusionary Housing: The City adopted an Inclusionary Housing Ordinance in July 2003. Pursuant to the ordinance, 10 percent of new residential development must be made affordable to households earning up to 100 percent of the AMI for for-sale units or 65 percent of the AMI for rental units. A fee determined by the

square footage of the proposed development may be paid in-lieu of building the units (Inclusionary Housing In-Lieu Fee). Within the future urbanizing area, 20 percent of all new construction units must be set aside for households earning at or below 65 percent of the AMI.

Housing Trust Fund: The San Diego Housing Trust Fund was created by City Council Ordinance on April 16, 1990. The Housing Trust Fund receives most of its funding from an impact fee on commercial development. Housing Trust Fund monies can be used in a variety of ways including loans, grants, or indirect assistance for the production and maintenance of assisted units and related facilities. To comply with the Ordinance, Housing Trust Fund monies shall be allocated: 1) at least 10 percent to Transitional Housing; 2) at least 60 percent to very low-income households (defined as households with incomes at or below 50 percent of area median income); 3) no more than 20 percent to housing for low-income households (defined as households with incomes between 50 percent and 80 percent of area median income) and 4) no more than 10 percent to median income first-time homebuyers. The SDHC recently received a one-time \$2,000,000 State grant as matching funds under the Housing Trust Fund's rental housing production program

Supportive Housing Programs and Services

Home Security Screen Door and Lighting Program: This program funds the free installation of security screen doors and exterior lighting for owner-occupied households. Preference is given to seniors (62 year of age or older) or disabled persons.

SDHC also supports the Access Center of San Diego to provide emergency shelter vouchers and security deposits for persons with physical disabilities. As part of this program the Access Center also provides housing information and referral services to persons with disabilities.

Shared Housing: This program is provided through ElderHelp of San Diego that matches two or more unrelated adults in an existing home to provide affordable housing at a lower cost.

Public Housing and Section 8 Assistance

As of November 2003, SDHC owns and manages 1,782 public housing units throughout the County, including 36 units of single-family public housing. Public housing projects owned by SDHC are committed as long-term affordable housing.

Public Housing Improvement and Resident Initiatives

SDHC is committed to increasing the involvement of its public housing residents in the management and operation of its public housing through:

- Establishment of the Resident Advisory Board; and
- Employment of residents in the management and maintenance of its public housing sites.

SDHC is further committed to promoting economic self-sufficiency through the Family Self-Sufficiency (FSS) program, which links housing assistance to career planning, training and educational programs, and support services, allowing participants to become independent from welfare payments. Each FSS participant signs a five-year contract with individualized and specific training, educational and job advancement goals. An escrow account is maintained for each participant with increases in earned income. SDHC works in collaboration with a variety of organizations to provide participants outreach, orientation, vocational assessment, career planning, case management, access to support services, support funds, and job development assistance. In addition, employment training in family day care, nontraditional occupation training, and apprenticeships are also provided.

SDHC has also created a de-concentration policy to mix higher and lower income families at public housing sites (with 20 or more units) so that low-income residents are not concentrated in any given community.

Rental Housing Assistance Program (Section 8)

The Section 8 program administered by SDHC provides rent subsidies to low income families and special needs households. Assistance is provided in the form of a voucher and seeks to eliminate barriers to mobility and enhance de-concentration efforts. SDHC also offers a variety of self-sufficiency programs to Section 8 voucher recipients. Currently, SDHC provides rental assistance to over 12,000 households.

4.5 Community and Supportive Services

Consolidated Plan Goals

The community and supportive service programs included in this five-year strategy seek to implement the following Consolidated Plan goals:

- Provide community and supportive services for low and moderate income persons and those with special needs
- Support efforts to develop/complete the Continuum of Care System for the homeless through the provision of emergency shelters, transitional housing, permanent supportive housing, and supportive housing services

Statement of Need

The City of San Diego has made addressing community and supportive services a high priority. Results of the Housing and Community Development Needs survey indicated that most community and supportive services needs are considered high priority needs (with an average score above 2.0). Specifically, services for neglected and abused children, youth, and victims of domestic violence, as well as anti-crime programs are ranked highest by residents.

The lack of affordable and medically appropriate housing for persons living with HIV/AIDS and their families is an ongoing concern for AIDS housing providers,

policy makers, and advocates across the country. Stable housing and supportive services promote improved health status, sobriety or decreased use of nonprescription drugs, and a return for some persons with AIDS to productive work and social activities.

Overall Community and Supportive Services Strategy

Three funding sources are used to provide community services for low income persons and persons with special needs in the City. These include: ESG funds, HOPWA funds, and public service dollars from CDBG funds (up to 15 percent of the annual allocation).

Each year, the CDBG application process begins in mid December with applications due to the City in early February. Applications are reviewed by Community Services staff for eligibility and forwarded to the City Council for funding considerations. The type and range of social issues addressed through programs are flexible in order to meet the needs of San Diego residents. However, all major need categories are addressed each year, including the needs of youth, seniors, people with disabilities, people with HIV/AIDS, homeless, and low to moderate income people in general.

Continuum of Care for the Homeless

The San Diego Regional Task Force on the Homeless (RTFH) reports 6,500 homeless in the City of San Diego, 1,100 of whom are farm workers and day laborers. Within the County RTFH estimates there are an additional 15,000 homeless persons, of which, 7,000 are farm workers and day laborers. This means there are 5,400 urban homeless in the City and 8,000 in the County. This translates into 67 percent of the urban homeless living in the City of San Diego. Addressing the needs of the homeless population is a high priority for the use of CPD funds, as transitional and permanent supportive housing for families, individuals, and special needs populations represents the largest gaps in the continuum of care system.

The City's Continuum of Care policy is based on the following four components:

- **Outreach and assessment** to determine the needs and conditions of an individual or family who is homeless
- **Emergency shelters** with appropriate support services to help ensure that homeless individuals and families receive adequate emergency shelter and referral to necessary service providers or housing finders
- **Transitional housing** with appropriate supportive services to help homeless individuals and families make the transition to permanent housing and independent living
- **Permanent supportive housing and independent supportive housing**, to help meet the long-term needs of homeless individuals and families with special needs.

The City will continue to align its Consolidated Plan programs and objectives with the goals and strategies identified in the Regional Continuum of Care Strategy, including the Council authorized 10-Year Plan to End Chronic Homelessness.

Persons with HIV/AIDS

San Diego County has the third highest number of AIDS cases in California, and the City of San Diego is home to the majority of those residents who were diagnosed with AIDS (74.5 percent). Persons with HIV infection and AIDS require a broad range of services, including counseling, medical care, in-home care, transportation, and food. The HOPWA Housing Plan indicates an acute need for affordable permanent housing units and emergency housing resources that are accessible to persons with HIV/AIDS.

To assist persons living with HIV/AIDS, the City has traditionally used HOPWA funds through the County of San Diego for long-term housing and supportive services. These funds are supplemented by “in-kind” contributions of service hours and food or durable goods from outside contributors. All of these sources work together to provide a full blanket of funding for persons with HIV/AIDS.

The City will continue to align its Consolidated Plan programs and objectives with the goals and strategies identified in the Regional Continuum of Care Strategy.

Community and Supportive Services for Low and Moderate Income Persons and Persons with Special Needs

Given the City population and diversity, the need for community and supportive services is also extensive and diverse. CDBG public service dollars will also be used to provide community and supportive services for low and moderate income persons and persons with special needs. As CDBG public service funding is limited to 15 percent, such funding is used to address areas with unmet needs. While all activities are identified as high priority needs in the Housing and Community Development Needs Survey by residents, certain needs are addressed by other funding sources. When making funding allocations, the City takes into consideration a number of factors, including critical and urgent needs, availability of other funding sources, and consistency with City policies and plans, among others.

Consolidated Plan Programs

Supportive Services for the Homeless

Emergency Shelters and Transitional Housing: Using CDBG and ESG funds, the City supports non-profit agencies that operate shelters for the homeless and provide supportive services.

Winter/Family Shelter Program: This program provides 24-hour emergency shelter during the cold weather months for homeless men, women, and children in San Diego and a year-round program for families. The goal of the program is to help persons address both their immediate and longer-term housing needs. The original “Five-Year Objectives” did not include the anticipated results from the Family Shelter Program. A large portion of the Homeless Emergency Shelter Program is funded through the San Diego Housing Commission.

Objective:	Suitable Living Environment
Outcome:	Availability/Accessibility
Outcome Statement:	Accessibility for the purposes of creating a suitable living environment
Indicators:	a. Total number of homeless persons with improved access b. Total number of beds available c. Total number of shelter nights made available
Five-Year Goal:	10,500 homeless persons

Homeless Outreach Team (HOT) and Serial Inebriate Program (SIP):

This program assesses homeless people’s problems and identifies solutions to help them. Whether their homelessness has been caused by loss of income, psychological problems, substance abuse, lack of job training, or other problems, multiple options are available to assist each person. The HOT Team focuses on the homeless population in downtown and the beach area. The SIP (Serial Inebriate Program) focuses on bringing together law enforcement with chronic, homeless alcoholics which affords them treatment options instead of jail.

Objective:	Suitable Living Environment
Outcome:	Accessibility/Availability
Outcome Statement:	Accessibility for the purposes of creating a suitable living environment
Indicators:	a. Total number of contacts with chronic homeless persons b. Total number of homeless persons with improved access c. Total number of placements into housing
Five-Year Goal:	20,000 homeless persons ² (duplicated counts)

Neil Good Day Center: The Neil Good Day Center is the only adult day center for the general homeless population in the downtown San Diego area. The program provides homeless adults with message and mail service for the entitlement checks and other personal mail, showers, laundry facilities, TV area, Family Health Center services, storage, access to computers and a safe haven off the busy streets.

Objective:	Suitable Living Environment
Outcome:	Accessibility/Availability
Outcome Statement:	Accessibility for the purposes of creating a suitable living environment
Indicators:	Total number of homeless persons with improved access.
Five-Year Goal:	Not originally reported

Senior Transitional Housing Program: In a partnership with the County and Senior Community Centers, the City has leased 35 rooms in two downtown single room occupancy hotels to provide case-managed beds to seniors who have become homeless.

² The 20,000 homeless persons goal in the FY05-FY09 Consolidated Plan incorrectly included results from the Serial Inebriate Program (SIP). The SIP program is not funded with CDBG funds and therefore annual outcome results will not include persons served by this program.

Supportive Services for Persons with HIV/AIDS

Housing Assistance: HOPWA funds will continue to be used to help low income persons with HIV/AIDS pay utilities and rent.

Objective:	Decent Housing
Outcome:	Affordability
Outcome statement:	Affordability for the purpose of providing decent housing
Indicators:	<ul style="list-style-type: none"> a. Number of participants assisted b. Number of leased units that meet HUD established Housing Quality Standards c. Rent payments for program participants d. Number of emergency housing beds for persons with HIV/AIDS
Five Year Goal:	Provide Tenant Based Rental Assistance to 320 households; and funding for 535 emergency housing beds.

Transitional Housing Development: Through nonprofit agencies, the City supports the development of transitional housing with supportive services for persons with HIV/AIDS using HOPWA funds.

Objective:	Decent Housing
Outcome:	Affordability
Outcome Statement:	Affordability for the purpose of providing decent housing
Indicators:	<ul style="list-style-type: none"> a. Number of transitional housing beds supported b. Number of Residential Care Facility beds for the chronically ill (RCFCI) operated c. Number of transitional housing facilities meeting Housing Quality Standards d. Rent payments for program participants
Five Year Goal:	Continue to assist in the development of transitional housing for persons with HIV/AIDS in the City and County, with the goal of achieving new housing opportunities for persons with HIV/AIDS.

Supportive Services: The City collaborates with community based organizations and government agencies to provide supportive services which include relocation assistance, intensive case management, substance abuse counseling, residential services, and employment services.

Objective:	Suitable Living Environment
Outcome:	Availability/Accessibility
Outcome Statement:	Accessibility for the purpose of creating suitable living environments
Indicators:	<ul style="list-style-type: none"> a. Number of moving services b. Number of participants served with case management c. Number of apartments provided residential services d. Number of training sessions
Five Year Goal:	Provide supportive services for 3,500 households

Information Referral: The City provides individuals with housing and information referral services.

Objective:	Decent Housing
Outcome:	Availability/Accessibility
Outcome Statement:	Accessibility for the purpose of providing decent housing
Indicators:	a. Number of clients assisted b. Number of clients accessing housing services on line c. Number of clients receiving Information and Referral services in office
Five Year Goal:	Provide a user-friendly housing information and referral system to 55,000 duplicated individuals and approximately one-fourth unduplicated

Supportive Services for Other Special Needs Groups

CDBG public service dollars will be used to provide supportive services for low and moderate income persons and persons with special needs, including, but not limited to:

- Senior services
- Youth services
- Disabled services
- Services for transitional residents
- Job training and placement services
- Fair housing services

Objective:	Suitable Living Environment
Outcome:	Availability/Accessibility
Outcome Statement:	Accessibility for the purpose of creating suitable living environments
Indicators:	a. Total number of persons b. Income levels of assisted persons
Five-Year Goal:	10,000 people with special needs

Neighborhood Improvement

Neighborhood Code Compliance Program: The program provides for code enforcement activities located within the City’s low to moderate income and blight designated census tract/target areas. This program works in connection with the City’s various rehabilitation programs to provide a comprehensive revitalization strategy that has a dramatic impact on the City’s neighborhoods, and ensures the health and safety of residents.

Objective:	Suitable Living Environment
Outcome:	Accessibility/Availability
Outcome Statement:	Accessibility for the purposes of creating a suitable living environment
Indicators:	a. Total number of units brought into compliance b. Total number of households served
Five-Year Objectives:	5,000 housing units

Other Community Support Services

Capacity Building: This consists of activities designed to build and support capacity in neighborhoods for community development, provision and management of affordable housing, community revitalization, and business attraction and promotion. Specifically, funds are used to support community-based agencies in a variety of activities including capacity building of community development corporations, youth entrepreneurship, and community mobilization and organizing efforts.

Urgent Needs: Per Section 24 CFR 570.208(c), Urgent needs are “activities designed to meet community development needs having a particular urgency. In the absence of substantial evidence to the contrary, an activity will be considered to address this objective if the recipient certifies that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the recipient is unable to finance the activity on its own, and that other sources of funding are not available. A condition will generally be considered to be of recent origin if it developed or became critical within 18 months preceding the certification by the recipient.” In instances of natural disasters or emergency situations, such as the 2003 fires, the City may allocate available funds to provide assistance and services to residents affected by the disaster.

Other Programs (Non-CPD Funds)

Single Room Occupancy (SRO) Program

The City is in the process of updating its Single-Room Occupancy Hotel regulations. Although not the sole answer to the homeless problem, SROs have become an essential part of the solution in San Diego. The City plans to continue the dispersal and support for SROs by incorporating SROs into plans of transit-oriented developments.

4.6 Public Improvements and Community Facilities

Consolidated Plan Goals

The improvements to public and community facilities included in this five-year strategy seek to implement the following Consolidated Plan goal:

- Revitalize low and moderate income neighborhoods to create healthy and sustainable communities

Statement of Need

The City's Facilities Financing Program identifies an existing public facility deficiency within its 26 "Urbanized Communities" that would require approximately \$2.5 billion to rectify. A significant portion of the City's nearly \$2.5 billion shortfall in public facilities is concentrated within a handful of communities with highest concentrations of low and moderate income households. These communities include: Southeastern San Diego, Encanto Neighborhoods, Greater North Park, Greater Golden Hill, City Heights, Eastern Area, Normal Heights, Linda Vista, Barrio Logan, and San Ysidro.

Localized Public Facility Financing Plans are prepared for each community. These plans indicate the primary unmet needs in the urbanized communities are in the categories of park and recreation facilities, streets, traffic flow, and pedestrian improvements, libraries, and fire stations. Within these communities, the total unfunded need is approximately \$1 billion, with roughly \$500 million in parks and recreation deficiencies, \$150 million in transportation improvement needs, and \$45 million in library, fire, police, and other community facility needs. Confirming these needs, the Housing and Community Development Needs survey showed that residents ranked street improvements and fire stations and equipment among the highest needs.

Public improvements and community facilities are necessary to support livable environment and economic development. The City will allocate funding for improvements based on the extent of critical needs and availability of other funding sources to leverage CPD funds.

Overall Strategy for Public Improvements and Community Facilities

The City aligns the CDBG funding allocation with investments that are consistent with the City's strategic plans and public infrastructure goals. The two-fold approach entails:

- Focus on the unmet funding needs of the low to moderate income areas identified in each of the community planning areas
- Fund program initiatives to address categorical needs on an annual basis

Consolidated Plan Programs

Public Facilities Program

CDBG funds can be used for the following types of facilities and improvements. Specific allocation will be determined on an annual basis pertaining to need:

- Street improvements
- Parks and recreation improvements
- Special needs group facilities
- Neighborhood facilities
- Infrastructure improvements to meet health and safety needs

Objective:	Suitable Living Environment
Outcome:	Accessibility/Availability
Outcome Statement:	Accessibility/availability for the purpose of providing a suitable living environment
Indicators:	<ul style="list-style-type: none"> a. Total number of public facilities targeted b. Total number of street improvement projects completed c. Total number of infrastructure improvements completed d. Total number of parks improvements completed
Five-Year Objectives:	90 public facilities

ADA Transition

A comprehensive survey of City facilities has been completed and necessary improvements have been prioritized. The City has implemented a barrier removal program in City-owned facilities where programmatic changes cannot be made to effectively meet ADA requirements. The top priority of the Consolidated Plan is to make the City-wide facilities accessible. Specifically, thousands of ramps still need to be installed. Ramp installation has been prioritized accordingly: 1) Public Buildings; 2) Transportation Routes; 3) Places of Accommodation; 4) Schools; 5) Shopping Centers; 5) Employers; and 6) Residential Areas.

Objective:	Suitable Living Environment
Outcome:	Accessibility/Availability
Outcome Statement:	Accessibility for the purposes of creating a suitable living environment
Indicators:	<ul style="list-style-type: none"> a. Total number of buildings retrofitted b. Number of curb ramps installed c. Number of audible signals installed d. Number of complaints received and resolved e. Number of evaluation and coordination of solutions for accessibility complaints at beaches, parks, lakes and City sidewalks.
Five-Year Goal:	The removal of a range of physical and programmatic barriers throughout the City for disability access.

Section 108 Loan Guarantee

The HUD Section 108 Program provides loan guarantee to CDBG entitlement jurisdictions to pursue economic development and large capital improvement projects. The jurisdiction must pledge its future CBDG allocations for repayment

of the loan. The City used Section 108 loans to pursue major improvement projects, including police stations, libraries, and community centers. A portion of the City’s CDBG allocation will be used to repay these loans. The City may also pursue additional Section 108 loans to finance other public improvement projects.

Objective:	Suitable Living Environment
Outcome:	Availability/Accessibility
Outcome Statement:	Accessibility for the purposes of creating a suitable living environment
Indicators:	Individuals or households with new or improved public improvements or public facilities, # of sites with blight removal
Five Year Goal:	A range of public improvements throughout the City

Urgent Needs

Per Section 24 CFR 570.208(c), Urgent needs are “activities designed to meet community development needs having a particular urgency. In the absence of substantial evidence to the contrary, an activity will be considered to address this objective if the recipient certifies that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the recipient is unable to finance the activity on its own, and that other sources of funding are not available. A condition will generally be considered to be of recent origin if it developed or became critical within 18 months preceding the certification by the recipient.” In instances of natural disasters or emergency situations, such as the 2003 fires, the City may allocate funds to assist with disaster recovery efforts.

Other Programs (Non-CPD Funds)

Redevelopment

The City, through its Redevelopment Agency, carries out redevelopment activities in blighted neighborhoods. Redevelopment activities in the Agency’s project areas are carried out by the City’s Redevelopment Division, and two public, nonprofit City corporations: Centre City Development Corp. and Southeastern Economic Development Corp.

Graffiti Control Program

This program uses individual volunteers to conduct paint outs/removal efforts in areas containing graffiti. The program also operates a Paint and Materials Exchange Bank in the Chollas View area where residents can obtain free recycled paint in limited colors for graffiti removal.

Infrastructure Impact Program

This program seeks to minimize the negative impact on small businesses due to large-scale public improvement projects, such as San Diego Trolley lines, water and sewer upgrades, major road and freeway construction and significant streetscape projects. Program staff advocates for the concerns of the small business

community; initiates coordination among public works agencies and businesses to mitigate impact; and provides direct technical and marketing assistance.

4.7 Economic Development and Anti-Poverty

Consolidated Plan Goals

The economic development and anti-poverty activities included in this five-year strategy seek to implement the following Consolidated Plan goals:

- Promote economic development opportunities
- Promote self-sufficiency
- Increase financial literacy and wealth-building assets

Statement of Need

While San Diego has managed to avoid the worst of the past two recessions due to its more broadly based economy, more than 14 percent of San Diego City residents lived below the poverty threshold at the time of the 2000 Census. In certain neighborhoods, the unemployment rate is in the double-digits. Economic development and job creation represent an exit from poverty. Only through improved economic opportunities -- more higher-paying jobs -- can low income persons gain economic self-sufficiency and live above the poverty level. Respondents of the Housing and Community Development Needs Survey identified job creation/retention as the most important economic development activity. Proposed economic development activities included job development, as well as job training and placement services that fall under the Community Services category and are discussed earlier. Economic development activities can also aid in the cleanup of abandoned lots and buildings, which were identified in the survey as an important activity that foster economic revitalization of neighborhoods.

Overall Economic Development and Anti-Poverty Strategy

The City's economic development program has a clear focus on actions and strategies that support and nurture the City's economic infrastructure and promote its viability to compete as a city of the 21st century. The approach is comprehensive and seeks to ensure the inclusion of all residents, including the low skilled, the unemployed and the economically disadvantaged person. The approach also encompasses the revitalization of San Diego's inner city neighborhoods, in keeping with the overall mission of creating and maintaining livable and healthy communities. The City's Consolidated Plan economic development component will align with the City's Community and Economic Development Strategy in order to foster the following elements:

- Regional Economic Prosperity
- Increasing Economic Opportunity
- Implementing Smart Growth
- Energy Independence
- Revenue Enhancement

Consolidated Plan Programs

Office of Small Business

Through the Office of Small Business, a section within the City of San Diego Community and Economic Development Department, Economic Development Division, the City coordinates economic development activities using CDBG funds and other funding sources. The Office of Small Business focuses on assistance to small businesses, commercial revitalization, and support for community agencies that provide support for entrepreneurship.

The Office of Small Business contracts with a number of small business service providers and nonprofit agencies to administer these various programs. Specifically, CDBG funds are used to support several of the above components:

- **Business Retention, Attraction, and Creation:** Through its contractors, the City offers business assistance and retention efforts in older neighborhood commercial districts, one-on-one business counseling and mentoring, capacity building, specialized assistance regarding governmental regulations, loan counseling, and packaging assistance.
- **Revitalization of Older and/or Low and Moderate Income Neighborhoods:** Commercial revitalization is an important strategy to fulfilling the City’s economic development goals. Neighborhood revitalization involves the following components:
 - **Neighborhood Commercial Revitalization:** Revitalization efforts consist of activities designed to improve the aesthetic and functional values of commercial areas in older and low and moderate income neighborhoods in targeted areas of the City. Specifically, two types of activities are pursued:
 - **Streetscape Improvement Projects:** The Commercial Revitalization Team manages streetscape improvements in 13 commercial districts located in low and moderate income areas. The purpose is to promote revitalization through enhancement of the streetscape.
 - **Storefront Improvements Program:** This program provides matching grants to small businesses for storefront improvements, renovations, and architectural assistance.

Objective:	Economic Opportunity
Outcome:	Accessibility/Availability
Outcome Statement:	Accessibility for the purpose of providing economic opportunity
Indicators:	a. Total number of businesses assisted b. Total number of new jobs created
Five-Year Objectives:	50 businesses to be assisted directly and 75 jobs to be created

Section 108 Loan Guarantee

The HUD Section 108 Program provides loan guarantee to CDBG entitlement jurisdictions to pursue economic development and large capital improvement projects. The jurisdiction must pledge its future CDBG allocations for repayment of the loan. The City has used the 108 program to provide assistance to several economic development projects in the past. A portion of the City's CDBG allocation will be used to repay these loans. The City may also pursue additional Section 108 loans in the future to finance other economic development projects.

Section 3 Economic and Employment Opportunities

Pursuant to Federal Housing and Urban Development Act, all jurisdictions receiving more than \$200,000 in HUD grants must demonstrate good faith efforts in: 1) hiring local low and moderate income (up to 80 percent AMI) persons for programs funded with HUD grants; and 2) awarding construction and supplies contracts to qualified businesses owned by low and moderate income persons or employ primarily low and moderate income persons. All contractors involved in federally funded projects (such as public improvements, housing construction, and commercial rehabilitation) over \$200,000 in value must also make good faith efforts to hire local low and moderate income persons. The City adheres to the Section 3 requirements as a means of providing economic and employment opportunities to low income persons.

Other Programs (Non-CPD Funds)

In addition to those few programs funded with CDBG funds, a myriad of programs is available to businesses and residents in San Diego to pursue enhanced economic activities.

Business Expansion and Retention (BEAR) Program

This program provides assistance to San Diego's targeted industries and revenue-generating commercial projects so that they will stay and expand in San Diego, resulting in increased local investment, increased jobs for residents, and increased revenue to City government. In addition, assistance is provided to businesses in the State designated Enterprise Zones, Federal Renewal Community, and City-designated redevelopment areas to encourage business development.

Business Finance Program

This program provides direct working capital loans to smaller early stage growth businesses particularly targeting women and minority owned businesses and businesses located in low and moderate income census tracts, Economic Development Revenue Bonds (including Enterprise Zone Facility Bonds in the Enterprise Community) for capital expansion projects to qualified manufacturers, 501(c)(3) non profits, Enterprise Community businesses, etc., the CRA/Bank Liaison to encourage affirmative reinvestment efforts in San Diego's under served communities utilizing collaboration with banks and other capital providers.

San Diego Enterprise Zones (EZs)

Enterprise Zones are areas in which a variety of State income tax savings and other advantages are available to businesses as well as to lenders that make loans in the area. Tax savings are also available to low wage earning employees in the zones. EZs provide the largest array of business development incentives available within San Diego and are specifically focused on extending the benefits of economic growth to unemployed or low-income residents.

Family Self-Sufficiency Program (FSS)

In collaboration with community businesses and City entities, FSS provides supportive services to assist families in achieving upward mobility and self-sufficiency. The program includes career counseling, vocational training, and micro-small business development. Resource information for childcare and transportation is also provided

Redevelopment

The City has 16 project areas and the goal of redevelopment in these areas is to eliminate blighted conditions to foster a viable living and economic environment (see also Section 3.7, Community Development Needs).

4.8 Lead-Based Paint Reduction Strategy

Citywide, an estimated 63,942 units occupied by low and moderate income households (0-80 percent AMI) may contain lead-based paint (LBP). (Approximately 5,977 units occupied by extremely low-income households, 15,177 units occupied by low-income households and 42,788 units occupied by moderate income households may contain LBP). The hazard of lead-poisoning is real; 81 cases of lead poisoning were reported in the City of San Diego (representing 42 percent of all lead poisoning cases in the County) from 2002 through 2003.

LBP awareness and abatement have been fully integrated by the City into its assisted housing programs. Each tenant, landlord, and homeowner is informed of the dangers, symptoms, testing, treatment, and prevention of LBP poisoning. Adherence to Federal, State and Environmental Protection Agency guidelines for reduction activities of LBP hazards is provided for in every rehabilitation loan/grant. Lead testing and clearance are provided to housing program participants, and favorable financing is offered for the cost of lead remediation. Public housing units, and units acquired by nonprofits through SDHC programs, are abated of LBP hazard at acquisition. Additionally, SDHC is ensuring compliance with the Pre-Renovation Lead Information Rule (TSCA 406B), required of people performing renovation for compensation.

In 2002, the City developed and began implementation of a new program entitled "Lead Safe Neighborhoods Program." In the first phase, this new program identifies various elements that the City can implement to perform primary prevention of lead poisoning. The major components are:

- Create a citizen's advisory taskforce to assist the City in its outreach effort and help identify additional components of an effective lead poisoning prevention program.

- Create a City Agency Lead Working Group that will bring together all public, non-profit, and community-based agencies in the San Diego region that have some capacity for lead poison prevention, to integrate their efforts to maximize resources and improve effectiveness.
- Adopt a municipal ordinance specific to lead hazards qualifying as substandard housing that can be used by City code enforcement personnel to help eliminate lead poisoning before it can occur.
- Provide City staff with lead hazards awareness training and provide specific methods of lead hazard education for its citizens that staff can perform during the course of their job.
- Implement a lead hazard education and outreach pilot program in a high risk community to identify effective communication methods that can be used city-wide.
- Implement a lead hazard control pilot in another high risk community to determine cost effective methods of reducing lead hazards in the home.
- Identify various grants and other means of leveraging funds to develop the capacity to perform lead hazard control work and ensure it can be sustainable with the goal of improving the quality of life of its citizens through the elimination of all lead paint hazards.

The City successfully pursued a HUD Lead Hazard Control Grant and a HUD Lead Outreach Grant. Both grants commenced in 2003 in partnership with community-based non-profit organizations.

Five-Year Quantified Objectives: Provide LBP information to all applicants seeking assistance from the City and SDHC (200 households per year or 1,000 over five years) and provide testing in all buildings that were built prior to 1978 assisted through CDBG and HOME funds (20 housing units per year or 100 over five).³

4.9 Barriers to Affordable Housing

The Housing and Community Development Needs Assessment discusses the market and governmental constraints that generally impact the provision and preservation of affordable housing in the City. The City has limited influence over market factors. This section discusses some of the City actions to lessen the impacts of governmental and infrastructure constraints.

³This item is included for information only, and does not have specific performance objectives in the Annual Plan. The total unit goals included in the Annual Plan include lead paint grants to owner-occupied and rental units; in fact, nearly all the rental unit goals are lead paint grants. Virtually every rehab project, if constructed prior to 1978, which most are, have lead hazards eliminated in conjunction with the other rehab, so the Housing Commission does not separate rehab from lead remediation projects because of duplication problems.

Land Availability and Cost

Density Bonus

The State-authorized program is designed to provide a density bonus and one regulatory concession to developers in exchange for reserving a percentage of housing units for low and moderate income or senior households for specified periods of time. Pursuant to State law, a development is qualified for density bonus of at least 25 percent (condominiums at least 10 percent) if one of the following conditions is met:

- 10 percent of the units are reserved at affordable cost to households earning up to 50 percent of the AMI;
- 20 percent of the units are reserved at affordable cost to households earning up to 60 percent of the AMI;
- 50 percent of the units are reserved for senior households; or
- 20 percent of the condominium units are reserved at affordable cost to households earning up to 120 percent of the AMI.

Policies in the City's Housing Element affirm proactive implementation of the City's density bonus program to facilitate the development of housing for lower and moderate income and senior households.

Inclusionary Housing

Within the City's urbanizing areas and urban core, 10 percent of new units must be made affordable to lower and moderate income residents. A fee determined by the square footage of the proposed units may be applied in-lieu of dedication and varies for projects above or below 10 units. Within the future urbanizing area, 20 percent of all newly constructed units must be set aside for households earning at or below 65 percent of the AMI.

Commercial/Industrial Linkage Fee

In 1992, the City adopted an ordinance to impose an impact fee on commercial and industrial development based on potential employment-induced impact on affordable housing demand. The collected fee is deposited into the City's Affordable Housing Fund for affordable housing development.

Availability of Financing

City-County Reinvestment Task Force

The City-County Reinvestment Task Force monitors lending practices and develops strategies for reinvestment in the San Diego Region. The task force has developed agreements with the largest lenders in the San Diego region for specialized implementation of the federal Community Reinvestment Act.

Gap Financing and Fee Reductions

SDHC uses HOME funds, redevelopment set-aside funds, and Housing Trust Funds to gap-finance affordable housing projects in order to mitigate the impacts of market factors (such as land costs and construction costs), planning and development fees, on- and off-site improvements, infrastructure and utility connection, and other costs associated with residential development. Certain Fee reductions may also be granted for projects that provide affordable housing.

In January 2003, the City released the first Notice of Funding Availability (NOFA) from the “collaborative affordable housing finance strategy.” The strategy will leverage redevelopment tax increment monies to create \$55,000,000 to finance affordable housing projects. The effort is a collaboration of the Redevelopment Agency (the City Redevelopment Division housed in the Community and Economic Development Department, Centre City Development Corporation, and Southeastern Economic Development Corporation) and SDHC.

Governmental Constraints

Permit Processing

Process 2000 is a City program to streamline permit processing to provide for predictability and accountability. The Expedite Program provides expedited permit processing for all eligible affordable/in-fill housing and sustainable building projects as established by Council Policy 600-27. This program establishes an aggressive processing timeline to cut the cost and time constraints associated with building affordable housing by:

- Providing mandatory preliminary review meetings for early staff feedback;
- Significantly reducing project review cycles;
- Funding the environmental initial study at preliminary review; and
- At the applicant’s request, scheduling a public hearing after the third review cycle and upon completion of the environmental document.

Infrastructure Constraints

To implement transit-oriented development principles, the Street Design Manual provides flexibility to local street and sidewalk standards. The City is also re-examining other public facility standards and policies, including the impact fee policy, to promote affordable housing development.

4.10 Institutional Structure and Coordination

Implementation of the Consolidated Plan will rely on the concerted efforts of a consortium of agencies, service providers, and the community at large. Key organizations include the City of San Diego, San Diego Housing Commission (SDHC), Redevelopment Agency, and the County of San Diego.

City of San Diego

Within the City of San Diego, the lead agency responsible for community development is the Community and Economic Development Department. The Department was developed by combining three major functions involved in community development: economic development/redevelopment and community services.

Community Services Division

The Community Services Division of the Department administers two of the four HUD formula grant programs: the Community Development Block Grant Program (CDBG) and the Emergency Shelter Grants Program (ESG). This division also has primary responsibility to HUD regarding the funds received through the Consolidated Plan process.

Community Service Centers

The City established a number of community service centers in partnership with neighborhoods to promote collaboration and community empowerment and enhanced City services.

Each Center has a published schedule of core services including: water bill and parking citation payment; minor building permit processing; complaint intake; employment application; Council dockets, and access to computer workstations, and community meeting rooms.

Most Centers have full-time professional managers to outreach to the community to help identify and resolve issues. In addition, the Centers have key site-partners, oriented to the specific needs of the community. These may involve Police, Neighborhood Code Compliance, SDHC, and other governmental agencies, schools, nonprofit organizations, and social service agencies.

The City of San Diego currently has nine Community Service Centers, with additional Centers planned for the future. New services are continually added, such as passport application, to the array of available services.

Community Planning Groups

The City's community planning effort has established multiple levels of communication between the community and the City, ensuring that residents have a strong voice in how their neighborhoods develop. The City has nearly 50 defined community planning areas with recognized planning committees, which act as the community voice on planning issues. These committees meet on a regular basis, governed under bylaws approved by the City and provide recommendations on land use, development and other issues.

Boards and Commissions

The Community and Economic Development Department provides staff support and assists in coordinating activities for the following City Boards and Commissions:

- International Affairs Board
- Science & Technology Commission
- Senior Affairs Advisory Board
- Small Business Advisory Board
- Youth Commission

In addition, the Community Services Division provides direct social services and funding to community organizations, and oversees the following program divisions:

- Child Care
- Clean Syringe Exchange
- Community Development Block Grants
- Disability Services
- Grants Administration
- Homeless Services
- Medical Marijuana Task Force
- Operation Weed & Seed
- 6 to 6 Extended School Day Program
- Social Services
- Youth Services

San Diego Housing Commission

The San Diego Housing Commission (SDHC) was established by the San Diego City Council in 1979 to address housing needs in the City. SDHC helps house more than 75,000 low and moderate income residents each year through a variety of programs and collaborates with nearly 11,000 businesses and investors to provide affordable housing in return for tax credits and other incentives. SDHC reports to a Board of Commissioners and the San Diego Housing Authority, and financially supports the Fair Housing Council of San Diego, the City-County Reinvestment Task Force, the Regional Task Force on the Homeless, and other groups addressing the region's need for affordable housing. SDHC is responsible for administering the CDBG (affordable housing related programs) and HOME grants for the City of San Diego. In addition, SDHC has assumed primary responsibility, by agreement with the City, for the Consolidated Plan process.

Redevelopment Agency

The Redevelopment Agency was created by the City Council in 1958 to alleviate conditions of blight in older, urban areas per State authority defined in California's Health and Safety Code (Section 33000-et.seq.), also known as the California Community Redevelopment Law. The Redevelopment Division of the Community and Economic Development Department serves as staff to the Agency. The Redevelopment Agency oversees 16 redevelopment project areas, encompassing more than 8,000 acres. In addition, the Agency administers seven Project Area Committees that advise the Agency regarding plan adoption and project implementation activities.

County of San Diego

The San Diego County Department of Housing and Community Development (HCD) seeks to provide decent and affordable housing, increase the supply and availability of affordable housing, and create more livable neighborhoods for residents. The Department also serves as the Housing Authority for the County and collaborates with various local levels of government, including SDHC. The County administers the HOPWA Grant on behalf of the City of San Diego.

Gaps in the Service Delivery System

Gaps in the institutional structure are filled by fostering relationships with nonprofits and other public and private organizations.

4.11 Monitoring

To be effective, housing and other community development policies and programs must be consistently monitored and modified when necessary. The City conducts monitoring reviews of housing and community development activities to determine whether programs are being carried out in accordance with the Consolidated Plan, and in a timely fashion. The monitoring is carried out on a regular basis to ensure that statutory and regulatory requirements were being met.

The City uses various tools to evaluate the success of its programs in meeting local housing and community development needs. HUD requires that the City submit annual reports on its performance in carrying out the program goals in the Consolidated Annual Performance and Evaluation Report (CAPER). The City's monitoring strategy combines regularly submitted written progress reports, periodic file reviews/desk audits, and annual site visits.F

City of San Diego non-housing programs supported with federal entitlement funds and subject to the Consolidated Plan 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 organization, other governmental agencies, City departments).

The City performs the following monitoring functions:

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

The monitoring process involves frequent telephone contacts, written communications, analysis of reports and audits, desk audits, onsite monitoring, and meetings. The City's goal is to ensure compliance with specific program requirements for the applicable funding source. The primary goal of monitoring is to identify deficiencies and promote corrections in order to improve, reinforce or augment grant recipients' performance. As part of this process, City staff attempt to be alert for the potential of fraud, waste, mismanagement, and/or other opportunities for potential abuse. On an individual basis, identified deficiencies will be corrected through discussion, technical assistance, or in the case of serious infractions the City may seek to impose sanctions.

Housing programs supported with federal funds and subject to the Consolidated Plan will be monitored on a regular basis to ensure compliance with occupancy and affordability requirements. SDHC monitors all of the City's affordable housing supported with federal funds awarded to the jurisdiction or the Housing Authority. In addition, SDHC monitors affordable housing projects that utilize favorable financing provided through the Housing Authority and in many cases the Redevelopment Agency.

SDHC performs the following monitoring functions:

- Prepares and makes available to housing program participants (i.e., project owners and participating households) any general information regarding income limitations and restrictions which are applicable to the affordable units
- Reviews and determines eligibility of participating households prior to initial occupancy of affordable units
- On an annual basis, reviews documentation submitted by project owners in connection with the annual certification process for eligible tenants and owners' compliance with affordable housing restrictions
- Inspects project books and records pertaining to the incomes and rents of participating households, as SDHC may deem necessary.
- Notifies project owners of any circumstances of non-compliance of which SDHC becomes aware and takes necessary actions to bring project into compliance
- Performs Housing Quality Standards inspections on all HOME funded rental properties as outlined in the HOME regulations

4.12 Performance Measurement

Historically, the City of San Diego and SDHC have measured performance using HUD's Consolidated Plan Guidelines, which require quantifiable goals and objectives to be clearly stated in the Consolidated Plan, as well as in the Annual Action Plan. Proposed accomplishments/goals stated in the Annual Action Plan

are evaluated in the Annual CAPER report. Programs and activities that consistently meet or exceed the proposed accomplishment goals are considered effective and successful, and generally continue to receive funding, while programs and activities that do not are either discontinued or revised.

During the FY 2005 - FY 2009 Consolidated Plan period, the City and SDHC will take additional steps to analyze comprehensive funding impacts per recent federal directives. For example, the following program performance may be measured:

- Housing rehabilitation programs may be evaluated by impact on property values
- Homeownership programs may be evaluated by impact on tenure
- Economic development programs may be evaluated by the number of jobs created/retained, as well as sales tax revenue generated and new products or services provided to residents
- Public service activities may be evaluated by the number special needs groups assisted versus the total number of special needs groups within the City