

# *Executive Summary*

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The City of San Diego has a population of over 1.25 million people and is the second largest city in California, which is characterized by an increasingly diverse array of residents from different socioeconomic, racial/ethnic, and cultural backgrounds. The City is also a regional employment center, offering a range of economic and employment opportunities. However, as the oldest city in the State, the City contains some neighborhoods that face deteriorating infrastructure and facilities, aging housing stock, and economic establishments that may have become obsolete or marginally viable. As the regional economy continues to grow and the housing market continues to soar, a segment of the population faces increasingly challenging issues such as inadequate and unaffordable housing, low income and poverty, deteriorating neighborhood conditions and quality of living, and limited access to services and facilities, among others.

This Consolidated Plan (CP) has been developed as a joint effort between the City of San Diego and the San Diego Housing Commission (SDHC), and in collaboration with other City and County agencies. (For responsibilities relating to the various programs covered by this CP, please refer to Chapter 2, Section 2.1- Citizen Participation Plan).

## **What is the Consolidated Plan?**

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The Consolidated Plan for the City of San Diego presents a strategy to address some of the critical housing and community development needs faced by City residents and businesses. The CP consists of the following components:

- An assessment of the City's housing and community development needs and market conditions;
- A strategy that establishes priorities for addressing the identified housing and community development needs; and
- A one-year investment plan that outlines the intended use of resources.

The CP focuses on the proposed uses of five federal funding resources for the FY 2005 – FY 2009 planning period: CDBG, HOME, ADDI, ESG, and HOPWA.

**Community Development Block Grant (CDBG):** The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low income. Funds can be used for a wide array of activities, including: housing rehabilitation; homeownership assistance; lead-based paint detection and removal; construction or rehabilitation of public facilities; removal of architectural barriers; public services; rehabilitation of commercial or industrial buildings; and loans or grants to businesses.

**HOME Investment Partnership Program (HOME):** The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low income households. HOME funds can be used for activities that promote affordable rental housing and homeownership by lower income households, including: building acquisition; new construction and reconstruction; moderate or substantial rehabilitation; homebuyer assistance; and tenant-based rental assistance.

**American Dream Downpayment Initiative (ADDI):** This new initiative provides communities throughout America with \$200 million in grants to help homebuyers with the downpayment and closing costs, the biggest hurdles to homeownership. The program is intended to increase the overall homeownership rate, especially among minority groups who have lower rates of homeownership compared to the national average. The focus is on low and moderate income families who are also first-time homebuyers. To participate, recipients must have annual incomes that do not exceed 80 percent of the area median income.

**Emergency Shelter Grant (ESG):** The ESG program provides homeless persons with basic shelter and essential supportive services. ESG funds can be used for a variety of activities, including: rehabilitation or remodeling of a building used as a new shelter; operations and maintenance of a facility; essential supportive services; and homeless prevention.

**Housing Opportunities for Persons with AIDS (HOPWA):** The HOPWA program provides grant funds to design long-term, comprehensive strategies for meeting the housing needs of low income people living with HIV/AIDS. HOPWA funds can be used for acquisition, rehabilitation, or new construction of housing, rental assistance and related supportive services.

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## Reaching Out to the Community

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The Consolidated Plan is developed to assist residents of the City of San Diego, particularly those of lower incomes or with special housing and supportive service needs. The CP reflects the issues and concerns of City residents. An extensive community outreach program was conducted in the development of this Consolidated Plan to assure the CP responds to community needs. The outreach efforts included:

- Four **presentations** before Community Planning Groups throughout the City.
- A **housing and community development needs survey** available in English, Spanish, and Vietnamese.
- **Outreach** to social service agencies and other public/quasi-public organizations

Through community outreach efforts, residents, service providers, community leaders, and other stakeholders and interested parties were asked to elaborate their specific needs under seven categories:

- Businesses and Jobs
- Community Facilities
- Community Services
- Housing
- Infrastructure Improvements
- Neighborhood Services
- Special Needs Services

A detailed summary of the outreach efforts is provided in Chapter 2 and copies of the survey and survey results are provided in Appendix A of the Consolidated Plan.

### Presentations before Community Planning Groups

Presentations and discussions were held at four community planning group meetings to describe what a Consolidated Plan is and solicit community input on housing and community development needs. Several recurring comments were expressed by residents during these meetings:

- The level of funding available is significantly below the extent of needs in San Diego.
- Use of federal funds is too restrictive and the City should seek legislative change for more local controls.
- Housing costs are too high and affordable housing opportunities are needed. However, certain neighborhoods have an over-

concentration of low-income housing and the City should seek to disperse such housing.

- Neighborhood improvements, especially housing rehabilitation, property maintenance, and code enforcement issues, should be addressed.

**Housing and Community Development Needs Survey**

The survey was made available in English, Spanish, and Vietnamese. The survey was distributed via the following methods:

- Sent to 440 representatives of social service providers and Community Planning Groups, who were asked to help distribute the survey
- Distributed at the four Community Planning Group meetings (See Table 2-1 for specifics regarding the Planning Groups and meeting locations)
- Placed at the San Diego Housing Commission office
- Provided to Section 8 applicants at eligibility interview

Specifically, the top ten specific needs are:

**Top Ten Needs from All Survey Respondents Combined**

<b>Specific Need</b>	<b>Category</b>	<b>Score</b>
Affordable Rental Housing	Housing	3.43
Homeless Shelters/ Services	Special Needs Services	3.32
Neglected/Abuse Children Center and Services	Special Needs Services	3.27
Employment Training	Business and Jobs	3.25
Health Care Facilities	Community Facilities	3.22
Health Services	Community Services	3.22
Job Creation/Retention	Business and Jobs	3.21
Fire Stations & Equipment	Community Facilities	3.17
Senior Housing	Housing	3.16
Mental Health Services	Community Services	3.15
Fair Housing Services	Housing	3.15

\*Scored on a scale of 1 to 4, with 4 being the highest

**Outreach to Social Service Agencies and Other Public/Quasi-Public Organizations**

Invitation flyers and surveys were sent to a wide range of social service agencies and other public/quasi-public organizations.

## **Responding to the Challenge**

Given the magnitude of needs identified and the limited resources available, the City must make tough decisions on prioritizing needs and allocating and expending funds in an efficient manner. Over the next five years, the Consolidated Plan funds will be used to augment local and state funding for housing and community development programs, targeting on issues and in areas where the needs are most critical and non-HUD funds are limited or inadequate to address the concerns of the community.

### **Consolidated Plan Goals**

- 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

### **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.



**Five-Year Objectives:**

- **Homeownership Assistance Programs:** Through the various homeownership assistance programs, assist 403 low and moderate income renter-households with homeownership opportunities over the next five years, or an average of 80 renter-households annually. Targeted groups are first-time homebuyers.
- **Rehabilitation Assistance Programs:** Through the various rehabilitation assistance programs, assist 1,033 low and moderate income owner-households directly over the next five years or an average of 206 households annually, and rehabilitate 750 housing units for low income tenants annually or 3,750 housing units over the next five years.
- **New Construction and Acquisition/Rehabilitation:** Assist 2 CHDOs annually with funds to expand and preserve affordable housing by 28 housing units annually. A further goal is to provide at least 550 affordable housing units over the next five years (110 units annually) through the SDHC's Housing Finance and Development department's Housing production program. Units are to be deed-restricted for the longest extent feasible.
- **Supportive Housing Programs and Services:** Provide fair housing services to at least 500 households annually or 2,500 over five years.

**Community and Supportive Services**

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).

***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. 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.

***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 are diagnosed with AIDS (74.5 percent). Persons living with HIV 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.

**Five-Year Objectives:**

- **Emergency Shelters and Transitional Housing Programs:** Continue to support nonprofit agencies to operate emergency shelters and transitional housing to benefit approximately 300 homeless persons annually or 1,500 over five years.
- **Winter Shelter Program:** Continue to sponsor the Winter Shelter Program to assist an average of 4,000 homeless persons (duplicated counts) over the months when the shelter is in operation.
- **Housing Assistance:** Continue to provide housing assistance to benefit approximately 80 households with HIV/AIDS with tenant-based rental assistance in the City and County annually or 320 over five years and 107 households with emergency housing annually or 535 over five years.
- **Transitional Housing Development:** 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 over the next five years. Based on funding opportunities to be determined during the program year, transitional housing development may range from transitional housing shelters to residential care facilities.
- **Supportive Services:** Continue to collaborate with community based organizations and government agencies to provide supportive services to 700 households annually or 3,500 over five years.
- **Information Referral:** Provide housing and information referral services to 11,000 duplicated individuals and approximately 2,750

unduplicated annually or 55,000 duplicated individuals and approximately one-fourth unduplicated.

### *Other Community and Supportive Services for Low 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 decisions are made regarding funding allocations, the City takes into consideration the areas with the most critical unmet needs.

#### **Five-Year Objectives:**

- **Supportive Services for Other Special Needs Groups:** Provide supportive services to at least 2,000 people per year through allocations to public service agencies or 10,000 over five years.
- **Neighborhood Code Compliance Program:** Inspect at least 1,000 housing units for potential health and safety code violations annually or 5,000 housing units over five years.
- **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.

### **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

**Five-Year Objectives:**

- **Public Facilities Program:** Provide for a minimum of 18 public facility improvements in the above six categories listed above annually or 90 public facilities over the next five years.
- **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 Citywide 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.
- **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 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 in the future to finance other public improvement projects.

**Economic Development and Anti-Poverty**

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

**Five-Year Objectives:**

- **Office of Small Business:** Provide assistance to 10 businesses per year for a total of 50 businesses to be assisted directly. Create 15 jobs per year or 75 jobs over five years to be available to low to moderate income residents. (Certain CDBG-funded activities will not directly result in creating jobs but foster an environment where job creation/retention can be achieved.)
- **Section 108 Loan Guarantee:** 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.