



Good Neighbors

San Diego
Housing Commission

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REPORT

DATE ISSUED: February 18, 2005

ITEM 101

REPORT NO.: HCR05-17
For the Agenda of February 25, 2005

SUBJECT: City of San Diego's FY06 Annual Action Plan (Citywide)

SUMMARY

Issue 1: Should the Housing Commission recommend that the Land Use & Housing Committee approve the City's FY06-Annual Action Plan for Community Development, Attachment 1, for submission to the U.S. Department of Housing and Urban Development (HUD)?

Recommendation 1: That the Housing Commission recommend Land Use & Housing Committee approval of the FY06 Annual Action Plan for Community Development and submission of the Plan to HUD, following final approval by the City Council.

Fiscal Impact: None with this action. However, the FY06 Annual Action Plan for Community Development submission is the application for federal funds for the following five HUD formula-based programs: Community Development Block Grant (CDBG); HOME Investment Partnerships (HOME); American Dream Downpayment Initiative (ADDI); Emergency Shelter Grant (ESG); Housing Opportunities for Persons with AIDS (HOPWA). Without a final HUD approved FY06 Annual Action Plan for Community Development, the City will be ineligible to receive approximately \$29.7 million in federal funds that support affordable housing and community/economic development activities for FY06.

Affordable Housing Impact: None with this action; however, the FY2005-2009 Consolidated Plan sets an estimated goal of providing an additional 1,125 low-income households with affordable housing services, during each of the fiscal years of the reporting period, utilizing the funds allocated through the Consolidated Plan process.

Previous Related Action(s): The City Council approved the City's FY2005-FY2009 Five-Year Consolidated Plan on May 4, 2004. The FY05 Annual Action Plan for Community Development was included in that five-year plan. The proposed FY06 Plan covers the second of the five-year plan period.



Future Related Action(s): After review and approval by the Land Use & Housing Committee, the FY06 Annual Action Plan for Community Development will be considered by the City Council on May 3, 2005. It will be submitted to HUD on May 15, 2005 for final approval.

BACKGROUND

As part of an effort to streamline programs and procedures, in 1994 the U.S. Department of Housing and Urban Development (HUD) began requiring entitlement jurisdictions to prepare a five-year strategic planning document entitled the Consolidated Plan, with annual applications and performance reports.

The City of San Diego's current five-year Consolidated Plan covers Fiscal Years 2005-2009. The Annual Action Plan provides a one-year strategy to accomplish the City's five-year Consolidated Plan goals and is the foundation of the City's performance measurement system and federally regulated reporting efforts.

The FY06 Action Plan serves as the combined application for five of HUD's FY06 formula-based programs: Community Development Block Grant (CDBG: \$17,282,982), HOME Investment Partnerships (HOME: \$9,009,931), American Dream Downpayment Initiative (ADDI: \$293,767) and Emergency Shelter Grants (ESG: \$667,873). The City of San Diego will be the grantee for Housing Opportunities for Persons with AIDS funds (HOPWA: \$2,527,000), although the responsibility for HOPWA programs has been delegated to the County of San Diego.

The City's FY2005-FY2009 Consolidated Plan sets an affordable housing assistance goal of 5,625 new low-income households to be assisted with funds allocated through the Consolidated Plan application. This goal is in addition to serving nearly 34,000 households each year through a variety of Housing Commission programs (rental assistance, public housing, rehabilitation, homeownership, privately-owned rental units).

DISCUSSION

Overview

The City's FY06 Annual Action Plan for Community Development serves a dual purpose. First, it serves as the City's comprehensive strategic plan for community development, including affordable housing, economic development and human service activities. Second, it is the single application and spending plan for five federal entitlement programs, totaling approximately \$29.7 million for FY06. Annual Action Plans are required to apply for funding.

This FY06 Annual Action Plan has been developed as a collaborative effort between staff of the Housing Commission and the City's Community Services Division. In addition, opportunities for public input on the plan are available through a series of ongoing community presentations and hearings (see Attachment 2). The public comment period for the Plan opened on February 15, 2005 and will continue through May 3, 2005.

Annual Action Plan Contents

The proposed FY06 Annual Action Plan for Community Development has been developed to closely conform to the framework of the Code of Federal Regulations pertaining specifically to Consolidated Plan requirements, describing how the City is meeting the statutory requirements of specified federal grant programs. Those statutes require that the funds must primarily benefit low- and extremely-low income persons. The statutes set three basic goals:

- *Provide decent housing*
- *Provide a suitable living environment*
- *Expand economic opportunities*

The Action Plan provides the one-year strategy to accomplish the City's five-year Consolidated Plan goals and is the foundation of the City's performance measurement system and federally regulated reporting efforts. It is anticipated that the City's multi-faceted strategies utilizing other resources will provide housing assistance through the following activities:

- Rental assistance, including rental housing through a shared housing program.
- Newly created affordable rental housing; e.g. acquisition/rehabilitation and new construction, through the Housing Trust Fund and the Inclusionary Housing Fund, as well as preservation of existing rental units.
- Repair and rehabilitation to correct health and safety problems.
- First-time home buying financial assistance.

Ongoing housing and related assistance will be continued during the year through special purpose housing for persons with HIV/AIDS; under-housed and homeless persons, families and youth; battered women; the mentally ill, and others who are persons with disabilities. The extent to which housing assistance is provided to these groups will be influenced by local priorities and in part will be determined by the availability of funding through federal, state and local resources.

The City receives five entitlement grants under HUD's Community Planning and Development (CPD) programs:

Community Development Block Grant (CDBG)	\$17,282,982
HOME Investment Partnership Program (HOME)	\$9,009,931
Emergency Shelter Grant (ESG)	\$667,873
American Dream Down payment Initiative (ADDI)	\$293,767
Housing Opportunities for Persons with AIDS (HOPWA)	\$2,527,000
TOTAL	\$29,781,553

In addition to the CPD grants identified above, the City of San Diego also receives Federal Rental Assistance Vouchers (Section 8) and applies for grant funds as they become available. The City also works with the area's homeless services providers to apply for funding under the Super NOFA (Notice of Funding Availability) to provide shelter and supportive services for the area's homeless populations (approximately \$7 million per year). Other federal resources available to the City of San Diego in its pursuit of affordable housing are the Section 202 and 811 programs for the construction by nonprofit developers of affordable housing for seniors and the disabled.

The process for determining the distribution of these funds is just now underway. The following represents the approximate distribution of funds from FY05; the exact amounts for FY06 will be approved at the City Council meeting in June.¹

CDBG: Public facilities 28%; Section 8 Loan Payments 19%; public services 13%; code enforcement 4%; other housing assistance 9%; economic development 3%; planning/administration 7%; reserves and reprogrammed funds 14%; other 3%

HOPWA: Supportive services 33%; housing operations and assistance 48%; case management 14%; other 5%

HOME/ADDI: New construction 54%; Community Housing Development Organizations 14%; homeownership activities 14%; rehabilitation 9%; program administration 9%

ESG: Shelter operations 81%; adult day care center operations 19%

¹The final distribution of CDBG funds will be approved as part of the annual budget process in June.

CONCLUSION

The FY06 Annual Action Plan for Community Development will be docketed for Land Use & Housing review on April 6, 2005. Upon approval it will be docketed for City Council consideration on May 3, 2005. The Plan must be submitted to HUD no later than May 15, 2004 for review and approval.

The FY06 Annual Action Plan for Community Development will be deemed approved 45 days after HUD receives the Plan, unless HUD notifies the City that additional information is required for the Plan to meet the criteria for approval. With that approval, the Plan will generate approximately \$29.7 million for FY06 to implement and continue community development efforts throughout the City.

Respectfully submitted by,

Approved by,

**Signature on File
With Original Document**

Carrol M. Vaughan,
Executive Vice President &
Chief Operating Officer

Elizabeth C. Morris
President & Chief Executive Officer

Report Author: Jackie Harris (619) 578-7461

Attachments: 1. Draft FY06 Annual Action Plan for Community Development*
2. Citizen Outreach and FY06 Annual Action Plan Presentation Schedule

*Limited distribution. A copy is available for review at the Housing Commission office at 1625 Newton Avenue, all public libraries and City Community Service Centers. The Plan is also available on the Commission's website: www.sdhc.net.

CITY OF SAN DIEGO CONSOLIDATED PLAN

Annual Action Plan for FY06

Public Comment Draft 2-4-05

Please note that, as a draft, this document is subject to revisions during the public comment period of February 15, 2005 through May 3, 2005. To obtain the most recent draft, and to share your comments on this draft Annual Plan in writing to:

Jackie Harris
San Diego Housing Commission
1625 Newton Avenue
San Diego, CA 92113

or via e-mail to jackieh@sdhc.org. The Plan will be also available for review on the Housing Commission's website: www.sdhc.net.

Annual Action Plan for FY06

The Annual Action Plan provides the one-year strategy to accomplish the City's five-year Consolidated Plan goals and is the foundation of the City's performance measurement system and federally regulated reporting efforts. The Action Plan is based on the strategies and objectives described in the Five-Year Strategic Plan of the Consolidated Plan, which seek to meet the three goals of HUD (targeted at people earning up to 80 percent of the Area Median Income [AMI]):

1. Decent Housing
2. Suitable Living Environment
3. Expand Economic Opportunities

5.1 Resources Available

The City has access to federal, state, and local resources to achieve its housing and community development goals. Funding will be used based on the opportunities and constraints of the project and or program and funding source.

COMMUNITY PLANNING AND DEVELOPMENT (CPD) FUNDS

Federal funds received from the Department of Housing and Urban Development (HUD) represent a significant funding source for the City's housing and community development related programs and activities. Specifically, the City receives five entitlement grants under HUD's Community Planning and Development (CPD) programs:

- Community Development Block Grant (CDBG) - \$17,282,982
- HOME Investment Partnership Program (HOME) - \$9,009,931
- American Dream Downpayment Initiative - \$293,767
- Emergency Shelter Grant (ESG) - \$667,873
- Housing Opportunities for Persons with AIDS (HOPWA) – \$2,527,000

Leveraging of CPD Funds

In addition to the CPD grants identified above, the City of San Diego also receives Federal Rental Assistance Vouchers (Section 8) and applies for available grant funds as they become available. The City also works with the area's homeless services providers to apply for funding under the Super NOFA (Notice of Funding Availability) to provide shelter and supportive services for the area's homeless populations (approximately \$7 million per year).

Other federal resources available to the City of San Diego in its pursuit of affordable housing are the Section 202 and 811 programs for the construction by nonprofit developers of affordable housing for seniors and the disabled.

San Diego is now in the third implementation year of the HUD- designated Renewal Community, which complements both the State Enterprise Zones (see local resources below) and CDBG-funded economic development activities. The Renewal Community targets San Diego's lowest income communities and provides federal tax incentives as well as other business assistance that is expected to generate private investment as well as increased economic opportunity and vitality in these neighborhoods.

Local dollars are used to capitalize and operate two additional small business loan programs, the Em Tek Seed Capital Fund and the Metro Enterprise Zone Revolving Loan Fund, both of which target low and moderate-income neighborhoods. The City will continue to market business incentives through its two state designated Enterprise Zones both of which are comprised entirely of CDBG eligible census tracts.

Tax increment financing, which is available via the redevelopment process, will remain the major financing source for critical economic development and neighborhood revitalization efforts that are planned in the City's low and moderate-income communities that have been designated as Redevelopment Areas.

The San Diego Housing Commission (SDHC) administers other programs, such as the Housing Trust Fund, Multifamily Bonds, Inclusionary Housing, and Density Bonus, which are designed to be catalysts to private sector development of affordable housing, through the provision of financial assistance and incentives. Descriptions of these various programs are contained in the Five-Year Strategic Plan of the Consolidated Plan.

In collaboration with nonprofit organizations, private developers, and other public agencies, the City also may pursue a number of affordable housing resources available through other federal, state, and local programs, including but not limited to the following:

Federal Programs

- HOPE I, HOPE II, HOPE III, and HOPE for Youth (Youthbuild)
- Section 202; Supportive Housing for the Elderly
- Section 811; Supportive Housing for Persons with Disabilities
- Supportive Housing Program
- Section 203k Insured Loans
- Shelter Plus Care
- Safe Havens for Homeless
- Lead Based Hazard Control Grants

State Programs

- Emergency Shelter Program
- Energy Conservation Programs
- Multifamily Housing Program
- CalHOME Program
- California Housing Finance Agency (CalHFA) Loans
- California Housing Trust Fund

Private Support

- California Community Reinvestment Corporation Loans
- Local Initiatives Support Corporation

Non-profit agencies also collaborate to apply for funding to provide supportive services for the homeless and persons with special needs. Specifically, agencies worked to pursue the Continuum of Care Funds and have been awarded \$9.8 million in this funding round.

See Appendix A for a summary of leveraged funds anticipated in FY06.

ACTIVITIES TO BE UNDERTAKEN AND RELATIONSHIP TO FIVE-YEAR PRIORITIES

The FY 2005 - FY 2009 Consolidated Plan identified priority housing and community development activities to be pursued in order to provide decent, affordable, and safe housing, as well as needed community services and facilities for its residents. The City will focus its resources and efforts during FY06 as described in the following sections. In order to show the relationship of these activities to the priority needs identified in the Five-Year Strategic Plan (contained in the Consolidated Plan), the following sections summarize the Strategic Plan priorities and identify the CDBG, HOME, ADDI, ESG, and HOPWA activities to be pursued over the next fiscal year. A list of the potential projects for each of the applicable programs can be found in Appendix B.

5.2 Housing

CONSOLIDATED PLAN GOALS

The housing programs included in the 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

Appendix C provides a summary of quantified affordable housing goals for FY06.

CONSOLIDATED PLAN PROGRAMS

Tools for Homeownership

SDHC provides the homeownership assistance through the following housing programs:

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 \$10,000. The grant must be repaid if the applicant sells or rents the home within the first six years of ownership.

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 \$93,813 or 25 percent of the purchase price, whichever is less, as established by HUD. Currently, 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 and 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 \$93,812 (as of February 2005). Owner occupancy is required.

American Dream Downpayment Initiative (ADDI) Program: The ADDI funding will be used as replacement funding sources for the current first-time homebuyer programs to include downpayment/closing cost assistance grants and shared equity loans.

The Housing Commission has implemented the following plan to target public housing residents:

- Discussions with the Resident Advisory Board during preparation of the FY06 Agency Plan
- Article in the Good Neighbors newsletter distributed to all public housing residents
- Inclusion in the Family Self Sufficiency’s Budgeting and Homeownership workshops
- Distribution of a flyer outlining the program to:
 - Seven (7) Learning Centers located at public housing sites
 - Resident Outreach Workers for their day-to-day outreach efforts
 - Staff to hand out at regularly scheduled site meetings
 - Appropriate public housing staff who communicate regularly with public housing residents

To ensure the suitability of families receiving ADDI assistance to undertake and maintain homeownership, all homebuyers will be required to complete a homebuying counseling class. Funding does not occur until the Housing Commission has received a certificate of completion from a homebuying counseling class by the homebuyer. There are many HUD-approved counseling agencies in the San Diego area as well as programs offered by lenders.

Five-Year Objectives:	403 households assisted with various homeownership programs
One-Year Objectives:	10 households assisted with various homeownership programs, of which 8 are anticipated to be minorities
Geographic Location:	Community-wide (Low and Moderate Income Clientele Benefit)
Funding Sources:	HOME - \$550,000 (estimated) ADDI - \$293,767

Tools for Rehabilitation

Owner-Occupied Rehabilitation Programs: SDHC offers two owner-occupied rehabilitation programs on a citywide basis:

- **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 Hazard Reduction Programs:

- **Zero percent Deferred Loans:** These loans are available up to \$5,000 per unit or up to \$15,000 per housing complex to those participating in any of the owner-occupied or rental rehabilitation programs.
- **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% of AMI and located in eight contiguous communities of Council District 8 in Southeast San Diego and citywide if a child under six years has an Elevated Blood Lead Level (EBLL). 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.

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. These grants are for either interior or exterior accessibility improvements.

An additional Exterior Accessibility Grant for Renters (EAGR) with disabilities is available citywide for exterior accessibility improvements only for rental property occupied by low income (under 80% AMI) tenants with disabilities or vacant units for which a priority is given to renters with disabilities. Grants up to \$3,000 per unit plus \$10,000 for common area improvements are offered up to a maximum of \$25,000 for projects up to five units and up to \$40,000 for projects consisting of six or more units.

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.

Five-Year Objectives:	4,250 low and moderate income owner-occupied households and 750 low income renter-occupied households assisted through the various rehabilitation programs
One-Year Objectives:	850 low and moderate owner-occupied households and 150 low income renter-occupied households assisted through the various rehabilitation programs
Geographic Location:	Communitywide (Low and Moderate Income Housing Benefit)
Funding Source:	HOME - \$1,000,000 CDBG - \$ 600,000

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.

Five-Year Objectives:	10 CHDOs/140 housing units
One-Year Objectives:	2 CHDOs/20 housing units
Geographic Location:	Community-wide (Low and Moderate Income Housing Benefit)
Funding Source:	HOME - \$1,364,897 (estimated) - CHDO

Ancillary Programs and Services Supporting Housing

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.

Five-Year Objectives:	550 housing units
One-Year Objectives:	75 housing units
Geographic Location:	Community-wide (Low and Moderate Income Housing Benefit)
Funding Source:	HOME - \$5,194,041 (estimated) – General

Fair Housing (Anti-Discrimination) and Tenant/Landlord Educational Services: A comprehensive menu of fair housing services that are designed to address unlawful housing discrimination are provided under a contract with the Fair Housing Council of San Diego (FHCSO). The FHCSO, through its strategic operating and action plan, provides an array of interrelated fair housing services including but not limited to component areas as follows:

1. **Advocacy** (serve as the community voice speaking to urge achievement of equal opportunity in housing);
2. **Outreach** (proactively reach out to a diverse, city-wide population to increase awareness of housing civil rights, responsibilities and remedies and organizational resources at the FHCSO);
3. **Education-General** (increase broad community knowledge base concerning federal and state fair housing laws);
4. **Education-Special Programs** (present conferences, Symposia, National Fair Housing Month/other activities);
5. **Technical Assistance and Training** (provide education programs under the CA Department of Real Estate Approved Course for real estate industry professionals/maintain daily hotline for initial educational response and referral);
6. **File Bona-fide Housing Discrimination Complaints for Enforcement & Redress** (maintain telephone hotline on daily basis; Receive, verify and investigate, resolve through education, counseling, conciliation, enforcement referral of housing discrimination complaints- as primary activity);
7. **New Programs and Funds Development** (develop and secure funding for new and innovative programs);
8. **Partnership/Linkages & Collaborations** (create and strengthen linkages and collaborations to promote fair housing city-wide);
9. **Public Policy Development** (work to advance public policy development that promotes fair housing in the public, private, affordable and special needs housing programs and provide education about the impact of proposed legislation upon discrimination complainants and respondents);

10. **Board Development** (recruit, train and support diverse board for governance);
11. **Staff Development and Training** (provide ongoing training for staff and volunteers to insure that staff keeps abreast of developing issues and skills);
12. **General Operations** (insure ongoing infrastructure readiness for programs);
13. **Significant Meetings and Networking** (meet with stakeholders in the field to exchange ideas and build continuity of approach);
14. **Fair Housing Tends and Information Update** (serve as a clearing house for fair housing information gathering and dissemination); and
15. **Maintenance of WEB page** (insure broad community contact and education).

The FHCS D also provides tenant educational services if funds are allocated to its Tenant-Landlord Services Coalition which provides an array of educational services for tenants including but not limited to: Maintenance of telephone hotline service; production of tenant training videos; dissemination of written materials explaining the California Tenant Landlord laws and interpretations and new developments; Presenting community workshops and seminars and limited mediation services.

Five-Year Objectives:	2500 households
One-Year Objectives:	100,000 households ¹ via print media, paid ads; direct mail, radio/ TV PSA talk shows and services
Geographic Location:	Community-wide (Low and Moderate Income Clientele Benefit)
Funding Source:	CDBG - TBD

5.3 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 and implement the Plan to End Chronic Homelessness (PTECH).
- Continue to pursue Continuum of Care funding to increase the level of housing provision and services for the homeless in the City. This system provides emergency shelters, transitional housing, and permanent supportive housing,

¹ The 500 household goal in the FY05 Plan was based upon a restrictive projection, limited to the approximate number of households that would contact the FHCS D during the course of the year through telephone hotline contact and/or walk-in for specific purposes of seeking info on tenant landlord rights or complaining of housing discrimination complaints. Activities such as workshops, seminars, mail campaigns, networking, collaborations, etc. had not been factored in at that time. The current figure factors these activities in, and in future iterations of the Five-Year Plan the Five-Year Goals will be modified accordingly..

CONSOLIDATED PLAN PROGRAMS

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.

Five-Year Objectives:	5,000 housing units
One-Year Objectives:	1,000 housing units
Geographic Location:	Targeted low to moderate income areas (Low and Moderate Income Area Benefit)
Funding Source:	CDBG - TBD

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.

Five-Year Objectives:	1,500 homeless persons
One-Year Objectives:	900 homeless persons (1,100 in W/S and 600 unduplicated clients housed)
Geographic Location:	Community-wide (Very Low and Low Income Clientele Benefit)
Funding Source:	ESG – CDBG TBD

Homeless Outreach Team (HOT): The HOT program assesses homeless people who live on the street and identifies solutions to help them. Most are considered to be chronically homeless with co-occurring disorders. The HOT Team focuses on the homeless population in downtown and the beach area.

Serial Inebriate Program (SIP):

The SIP (Serial Inebriate Program) brings together law enforcement, the courts and community agencies to provide motivation for chronic, homeless alcoholics to participate in treatment options instead of jail. The SIP Program is not funded with CDBG funds. Therefore "One-Year Objectives" will not include outcome results from this program.

Five-Year Objectives:	20,000 homeless persons (duplicated counts)
One-Year Objectives:	378 homeless persons (client contacts)
Geographic Location:	Community-wide (Very Low and Low Income Clientele Benefit)
Funding Source:	CDBG -- TBD

Senior Transitional Housing Program: In a partnership with the County and Senior Community Centers, the City has leased 35 rooms in a downtown single room occupancy hotel to provide case-managed beds to seniors who have become homeless. In addition, the program fund up to 5 beds in an assisted living facility for those who are no longer able to care for themselves.

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.

Five-Year Objectives:	320 households with HIV/AIDS with Tenant Based Rental Assistance (TBRA); 508 households with emergency housing
One-Year Objectives:	80 households with HIV/AIDS with TBRA; 107 households with emergency housing
Geographic Location:	Community-wide (Low and Moderate Income Clientele Benefit)
Funding Source:	HOPWA - TBD

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

Five-Year Objectives:	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.
One-Year Objectives:	Based on funding opportunities to be determined during the program year, transitional housing development may range from transitional housing shelters to residential care facilities.
Geographic Location:	Community-wide (Low and Moderate Income Clientele Benefit)
Funding Source:	HOPWA - TBD

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.

Five-Year Objectives:	55,000 duplicated individuals and approximately one-fourth unduplicated
One-Year Objectives:	11,000 duplicated individuals and approximately 2,750 unduplicated
Geographic Location:	Community-wide
Funding Source:	HOPWA -- TBD

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

Five-Year Objectives:	3,655 households
One-Year Objectives:	731 households
Geographic Location:	Community-wide (Low and Moderate Income Clientele Benefit)
Funding Source:	HOPWA - TBD

With respect to HOPWA activities that will be carried out in FY 2005-2006, a Notice of Funding Availability (NOFA) was released on January 22, 2005 to solicit proposals and disburse \$2.1 million in FY 2004-2005 funds for eligible HOPWA activities. It is projected that similar types of activities will be carried out in FY 2005-2006. However, the funding amounts in each category are dependent on the results of a competitive NOFA process.

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
- HIV/AIDS Services
- Other social and community services

A list of supportive social services and community activities has been proposed by various City departments and nonprofit agencies. The City has reserved 15 percent of its FY06 CDBG allocation for supportive social and community services, including homeless services. It is anticipated that 15 percent of the FY06 CDBG allocation will be \$2,592,447, of which a portion will be allocated toward homeless services programs. The service projects to be funded will be determined by the City Council in late May or early June once the City has made some important budgetary decisions. Detailed information on the funded projects will be provided to HUD as an appendix to the Action Plan.

Five-Year Objectives:	10,000 people with special needs
One-Year Objectives:	4,000 people with special needs (estimated)
Geographic Location:	Community-wide (Low and Moderate Income Clientele Benefit)
Funding Source:	CDBG - TBD (15 percent of FY 2005 allocation minus the portion allocated toward homeless services)

5.4 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

CONSOLIDATED PLAN PROGRAMS

A list of public facility improvement projects has been proposed in Appendix A. The projects to be funded will be determined by the City Council, based upon need.

Public Facilities Program

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

- Street improvements with an emphasis on those related to revitalization efforts
- Parks and recreation improvements
- Special needs group facilities
- Neighborhood facilities
- Infrastructure improvements

Five-Year Objectives:	90 public facilities
One-Year Objectives:	18 new projects
Geographic Location:	Targeted low to moderate income areas (Low and Moderate Income Area Benefit)
Funding Source:	CDBG - TBD

ADA Transition

A comprehensive survey of all City facilities is underway and necessary improvements are being prioritized. The City is implementing additional elements to its 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, approximately 850 facilities need retrofit, 200 intersections need audible traffic signals, miles of sidewalk improvements are necessary and thousands of ramps still need to be installed.

Five-Year Objectives:	A range of public improvements throughout City
One-Year Objectives:	Three public buildings retrofitted; 30 curb ramps installed; 10 audible signals installed
Geographic Location:	Community-wide (Low and Moderate Income Clientele Benefit)
Funding Source:	CDBG - TBD

Section 108 Loan Guarantee

The HUD Section 108 Program provides loan guarantees to CDBG entitlement jurisdictions to pursue economic development and large capital improvement projects. The jurisdiction must pledge its future CDBG allocations as security for repayment of the loan. The City uses Section 108 loans to construct neighborhood-serving public facilities, as well as economic development projects. San Diego uses CDBG funds as the payment source for many of its Section 108 loans. HUD 108 assistance is sought only as need arises; there are currently no new loans anticipated for FY06.

Five-Year Objectives:	A range of public improvements throughout City
One-Year Objectives:	Manage portfolio of 15 loans; utilize loan assistance for new projects as necessary
Geographic Location:	Community-wide (Low and Moderate Income Clientele Benefit)
Funding Source:	CDBG - TBD

5.5 Economic Development

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

CONSOLIDATED PLAN PROGRAMS

A list of economic development activities has been proposed (see Appendix A). The projects to be funded will be determined by the City Council.

The City's economic development activities that are supported with CDBG funds will focus on two areas: (1) micro-enterprise support and other small business assistance, and (2) community development and revitalization activities. The Office of Small Business contracts with a number of community-based agencies for the provision of such services. Business assistance services include business counseling and mentoring, loan counseling and packaging assistance, assistance with governmental regulations, etc. Community development and revitalization activities include commercial revitalization,

community improvement programs, technology, and energy efficiency projects. Some commercial revitalization efforts are administered directly by the City.

Five-Year Objectives:	50 businesses to be assisted directly and 75 jobs to be created
One-Year Objectives:	seven commercial revitalization projects; ten businesses assisted and 15 jobs created
Geographic Location:	Community-wide (Low and Moderate Income Job Benefit)
Funding Source:	CDBG - TBD

5.6 Planning and Administration

The City complies with all HUD planning and reporting requirements. A portion of the FY 2005 CDBG and HOME allocations will be used to provide planning and reporting services, as well as program delivery.

One-Year Objectives:	Comply with all HUD planning and reporting requirements and deliver of a range of housing and community development programs to City residents and businesses
Geographic Location:	Community-wide
Funding Source:	CDBG - \$1,568,998 (estimated) HOME - \$900,993 (estimated)

5.7 Public Housing

As of January 2005, SDHC owns and manages 1,746 public housing units throughout the City, including 36 units of single-family public housing. This number is lower than reported in the FY05 Annual Plan because 36 of the units were sold to the San Diego City Schools under eminent domain, while another unit was returned to City ownership. 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.

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 vouchers 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.

5.8 Lead-Based Paint Hazards

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 qualifying lead hazards as substandard housing, allowing City code enforcement personnel to help eliminate the hazards and potential of lead poisoning.

- 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 citywide.
- 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.

Currently, the following two programs address lead-based paint:

- **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. *(This program is not funded with CPD funds.)*
- **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. *(Funding allocation and objectives have been accounted for under the overall Housing Strategy)*

5.9 Other Actions

ADDRESSING THE OBSTACLES TO MEETING UNDERSERVED NEEDS

As identified in nearly every planning document in the City, the lack of affordable housing in San Diego is a major obstacle facing the City. The need of lower income households, especially renters, is a great concern to the City. The primary obstacle in serving the special needs populations is funding availability and lack of coordination among agencies.

The goals of SDHC include: assisting those earning 50 percent or less of the AMI as the highest priority; forging partnerships among public, nonprofit, and private entities to provide housing opportunities; and providing an integrated range of social services for segments of the community not adequately served.

The Community Services Program of the City of San Diego is responsible for assisting City residents in need of human care services. Staff who conducts periodic assessments of community needs provide those services. The staff then plans, administers, and monitors community projects.

FOSTER AND MAINTAIN AFFORDABLE HOUSING

The City will continue and expand its efforts to upgrade and preserve existing affordable housing stock through its various rehabilitation and CHDO program activities. The primary source of funds will be CDBG, HOME, ADDI, redevelopment housing set-aside, and Housing Trust Funds. The City will also continue the low-interest loans and rebates program to rental property owners where at least 51 percent of the tenants are households at or below 80 percent of the AMI. Additional incentives will be offered to owners to set-aside units for families at or below 50 percent of the AMI.

REMOVING BARRIERS TO AFFORDABLE HOUSING

Governmental and market barriers both have the potential to affect the City's ability to provide and maintain affordable housing. The City's land use controls, site improvement requirements, building codes and application fees, although developed to ensure quality and sound development, may play a role in limiting the production of affordable housing for all income levels. In addition, requirements mandated by state and federal agencies may initially impede the production of affordable housing.

The City offers a range of programs and incentives to help mitigate market and governmental constraints to the development of affordable housing. These include:

- Density bonus
- Inclusionary housing
- Commercial/industrial linkage fee
- City-County Reinvestment Task Force
- Gap financing and fee reductions
- Streamlined permit processing
- Flexible development standards
- Condominium conversion tenant relocation benefits

REDUCE THE NUMBER OF PEOPLE LIVING IN POVERTY

The City seeks to reduce the number of people living in poverty by providing a number of programs that include housing assistance, economic development assistance, job training opportunities, and supportive services. SDHC also operates a variety of resident empowerment programs, which promote upward mobility and self-sufficiency through educational programs, neighborhood programs, cultural and recreational programs, and job training and skills development programs. The Family Self-Sufficiency Program (FSS), in collaboration with community businesses and City entities, 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. In addition, resource information for childcare and transportation is provided, along with an escrow account for a portion of income earned during program participation.

DEVELOP INSTITUTIONAL STRUCTURE

The institutional structure through which the Annual Action Plan will be implemented includes various agencies of local government, private for-profit and non-profit entities, and various regional task forces, which are identified in the FY 2005 - FY 2009 Consolidated Plan. The City of San Diego Housing Element identifies in its implementation charts the responsible agency for the wide-range of housing programs operating in the City. SDHC has lead oversight responsibility for the Consolidated Plan/Annual Action Plan process.

ENHANCE COORDINATION

The City expects to carry out its strategy through public, nonprofit and private partnerships, which it seeks to encourage. These partnerships have been instrumental in the effort to meet the wide range of homeless and affordable housing needs in the City. In the future, to the extent that is feasible, the public sector will continue to match or augment private sources of funding from nonprofits seeking to create affordable housing opportunities.

FURTHER FAIR HOUSING CHOICE

The City of San Diego is committed to furthering fair housing choice for all residents regardless of race, color, national origin, ancestry, religion, sex, disability, familial status, marital status, source of income, sexual orientation, or any other arbitrary factor. The City recognizes that fair housing is a regional issue and collaborates with jurisdictions the County to identify impediments to fair housing choice and solutions for mitigating such barriers.

2000 San Diego Area AI

In 2000, the City collaborated with the cities of Carlsbad, Chula Vista, El Cajon, Encinitas, Escondido, La Mesa, National City, Oceanside, Santee, and Vista in the preparation of the Regional Analysis of Impediments (AI) to Fair Housing Choice. Several regional impediments were identified:

- In the San Diego region, litigation as a response to unlawful housing discrimination has been an action of last resort.
- Although some jurisdictions are projected to grow faster than others, growing populations and housing shortages may present issues of housing discrimination or become barriers to fair housing choice.
- Jurisdictions lack public education. Tenants, and some owners, are unaware of legal differences between landlord/tenant issues and fair housing rights.
- Discrimination in mortgage lending and property insurance based on race and national origin (Hispanic) is documented through regional audits.
- Most discrimination in the region is allegedly based on race, disability, national origin, familial status.

- The number of hate crimes in the region is increasing; hate crimes involving housing civil rights and fair housing are underreported.
- A growing number of reported complaints alleging housing discrimination are based upon sexual orientation, sexual harassment, and source of income.

Issues specific to the City of San Diego include:

- NIMBY attitudes regarding location of affordable housing projects.
- Limited supply of affordable housing for families with children, students, and military personnel
- Concentrations of minority populations present a need for de-concentration over time

2004 San Diego Regional AI

The City, together with all 19 jurisdictions in the County, has completed the final draft of its 2004 update to the AI and expects to have the final regional updated AI by March 2005. The AI identifies a number of potential constraints, including:

- Limited availability of outreach and educational materials
- Many small property owners lack knowledge of fair housing laws and landlord rights and responsibilities
- Discrimination against persons with disabilities has become an increasing fair housing concern and the availability of accessible housing for persons with disabilities is limited
- Discrepancies in access to financing by different groups persist
- Lead-based paint hazards often disproportionately affect minorities and families with children
- Collaboration among jurisdictions and fair housing service providers needs improvement, particularly in addressing service gaps
- Inconsistent tracking of fair housing data makes comparison and trend analysis difficult

The following table highlights the actions from the AI applicable to FY06. Responsible entity for each action includes the City of San Diego and the San Diego Housing Commission.

GOAL	ACTIVITIES OR STRATEGIES	BENCH-MARK	PROPOSED INVEST-MENT
Provide links to fair housing and other housing resources with current information.	Create web links to fair housing and other housing resources within the City of San Diego and Housing Commission websites.	End of 2005	None required
Expand outreach to smaller “Mom and Pop” rental owners.	<p>The City will contract with a fair housing service provider to make a concerted effort to work with the San Diego Apartments Assn (SDCAA) to expand outreach to the “mom and pop” rental property owners.</p> <p>Discuss with SDCAA if it is feasible to establish a lower-tier membership for two- to six- unit owners to encourage access to SDCAA education programs.</p>	Begin discussion with SDCAA in 2005	SDHC local funds
Promote equal opportunity for all residents to reside in housing of their choice.	<p>The City will contract with a fair housing service provider to provide services to residents, landlords, and property managers in the City of San Diego. Services include education, outreach, and mediation as well as fair housing testing and audits.</p> <p>The SDHC will provide rehab services to apt owners to create accessible units or complexes for persons with disabilities.</p>	Ongoing 2004 grant begins	SDHC local funds State funded grant:: \$500,000
Provide outreach and education on credit history and financial management.	Identify an agency with a capacity and experience in conducting outreach and education on credit history and financial management.	2005	CDBG or Local funds
<p>Inform landlords and residents about hazards of lead-based paint.</p> <p>Target older communities to offer assistance for lead abatement to owner occupied rental units with children.</p>	<p>The City will continue to do the following :</p> <p>Distribute the following brochures: “Lead Based Paint, a Threat” and “Protect Your Family From Lead in Your Home.”</p> <p>Attend meetings and trainings on lead-based paint hazards.</p> <p>Inform residents applying for loans and grants through the Housing Rehabilitation Loan Program about the hazards of lead-based paint.</p> <p>Continue to offer assistance for lead abatement through their housing rehabilitation loan programs.</p> <p>Consider expanding lead-based paint testing to home buying programs.</p>	Ongoing	Lead Based Paint/HUD Grant: : \$2M

Encourage collaboration among jurisdictions and among fair housing service providers to provide similar services and ensure equal access to fair housing services throughout the region.	The City and its fair housing services provider will continue to be involved in the Fair Housing Resources Board Encourage fair housing service providers to collaborate and support each others' activities, so that similar activities are available to residents across jurisdictions.	Ongoing	Staff time/Local Funds
Establish a uniform method of reporting to incorporate into each sub-recipient contract to ensure that proper documentation is available regarding ethnicity, income level, and types of calls received based on HUD's reporting categories.	Collaborate with other jurisdictions to develop a uniform method of reporting to incorporate into each sub-recipient contract.	Develop format in 2005; Ongoing	Staff time/Local Funds
Ensure that sub-recipient contracts and annual reports identify specific quantifiable objectives and measurable goals related to furthering fair housing.	Continue to identify specific quantifiable objectives and measurable goals related to furthering fair housing.	Annually and ongoing	Staff time/Local Funds
Ensure that contracts with fair housing service providers contain scopes of work that are consistent and do not lead to uneven levels of services to those of other jurisdictions.	Evaluate service gaps annually and budget as appropriate.	Annually and ongoing	Staff time/Local Funds

Affirmatively Furthering Fair Housing

The Fair Housing Council of San Diego (FHCS D) will continue to provide comprehensive fair housing services under a contract with SDHC, which acts on behalf of the City. The programs and services provided will assist the City in meeting its obligation to affirmatively further fair housing. All activities will support the City's ongoing fair housing planning process and the implementation of recommendations as outlined in the 2000 and 2004 AIs.

Services will be offered in the component areas of advocacy, outreach and education, technical training opportunities for members of the housing provider, lender and insurance industries, maintenance of a fair housing discrimination investigative, intake and enforcement process and collaborations and/or linkages with other entities which further strengthen fair housing activities in the City.

FHCS D will also maintain and operate a housing mobility counseling program designed to assist families who are receiving federal housing subsidies to reach personal goals and career objectives, emphasizing housing moves to neighborhoods of choice and greater opportunity. Another objective of the housing mobility program is to encourage owners in neighborhoods of greater opportunity to rent to participant families.

5.10 Monitoring

NON-HOUSING ACTIVITIES

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

The 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; and
- 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.

The City's CDBG Administration will utilize the current program year to provide guidance and technical assistance to City staff to assist individual project managers in their monitoring efforts. Due to the complexity and voluminous regulatory requirements of federal funds, City staff will attempt to educate, train, and work in partnership with grant recipients' and other stakeholders.

The overall purpose of monitoring is to maximize grant performance through identifying efficiencies, developing partnerships with stakeholders, collaboration with various service providers (institutional structures), and providing the greatest amount of services to the citizens of San Diego.

HOUSING ACTIVITIES

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 City or the Public 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:

density bonuses, coastal housing provisions, public land, or senior conditional use permits.

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 the Commission may deem necessary; and
- Notifies project owners of any circumstances of non-compliance of which the Commission becomes aware and takes necessary actions to bring projects into compliance.

SDHC monitors privately owned housing units, public housing, and affordable units provided through the Section 8 program. Affordable housing projects receiving direct funding from the State or Federal government are often monitored solely by those entities.

SECTION 3 ECONOMIC OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 states:

To ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low and very low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low and very-low income persons.

The City of San Diego makes Section 3 a part of all contracts the City enters into in which a contractor receives CDBG funds from the City. The contractor is required to document good faith efforts to comply with the terms of Section 3.

5.11 Program Specific Requirements

CDBG PROGRAM

The City proposes to fund projects from among those listed in the "Listing of Proposed Projects" of the Action Plan. They consist of infrastructure improvements, public services, and public facilities improvements as well as community and economic development activities. These will be funded by CDBG funds allocated for FY06 as well as reallocated funds from prior years, and program income.

Source of Funds

The City plans to allocate resources as follows:

Program Income

Program Income will be used to support other CDBG eligible activities.

Surplus from Urban Renewal Settlements

None/Not Applicable

Section 108 Loan Guarantees

The City is currently using CDBG funds to repay the following Section 108 loans:

- Section 108 - Central Police
- Section 108 – College Heights/Rolando Library
- Section 108 – District 3 Infrastructure
- Section 108 –District 4 Senior Center
- Section 108 – Logan Heights Library
- Section 108 – Mercado Project
- Section 108 – Ocean Beach Library
- Section 108 – SEDC #1
- Section 108 - Urban Village Library/Park
- Section 108 - Vietnam Veterans Homeless Facility
- Section 108 – Cortez Hill Homeless Shelter
- Section 108 – Camp Hope

It is anticipated that the following new loans will be repaid with CDBG funds, starting in FY06:

- Section 108 – San Diego Food Bank
- Section 108 – Otay Mesa Nestor Library
- Section 108 – LGBT Community Center

Note: Two Section 108 loans are being repaid with non-CDBG sources.

Grant Funds Returned to the Line of Credit

None/Not Applicable

Income from Float-Funded Activities

None/Not Applicable

Rollover Funds

The City has reprogrammed _____ CDBG funds from prior year(s) (TBD).

Geographic Locations

CDBG funds are targeted to San Diego's low- and moderate-income communities; these include San Ysidro, Otay/Nestor, Linda Vista, Golden Hill, City Heights, College Heights/Rolando, North Park, Barrio Logan, Logan Heights, Chollas View, and Mountain View. However, in the case of certain projects such as public services and ADA projects which specifically serve or benefit low-income clientele, services may be provided in other communities as well.

Also, in accordance with San Diego's Balanced Communities Policy, housing assistance will generally be provided throughout the City. Homeownership activities, preservation of at-risk affordable housing, rehabilitation of owner-occupied and rental housing, and mixed-income rental housing acquisition and development will occur in all areas exhibiting need (subject to program guidelines).

The City's de-concentration policy is aimed at mixing 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. 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.

Contingency Activities (NTE 10%)

A total of \$_____ (____) (percent of the FY06 allocation) is set aside for contingency activities (TBD)

Urgent Needs

The City is not planning to spend any CDBG funds on Urgent Needs in FY06.

HOME PROGRAM

The HOME program was created under the National Housing Affordability Act of 1990. Under HOME, HUD will award funds to localities based on a formula, which takes into account tightness of the local housing market, inadequate housing, poverty, and housing production costs. Localities must qualify for at least \$500,000 based on HUD's distribution formula, to receive direct allocation of funds, or can apply to the state or combine with adjacent jurisdictions.

HOME Match

All participating jurisdictions (PJs) must contribute or match 25 cents for each dollar of HOME funds spent on affordable housing. As PJs draw funds from HOME Investment Trust Funds, they incur a match liability, which must be satisfied by the end of each Federal fiscal year. The matching contribution adds to the resources available for HOME-assisted or HOME-eligible projects.

The HOME statute provides for a reduction of the matching contribution requirement under three conditions:

1. fiscal distress,
2. severe fiscal distress, and
3. for Presidentially-declared major disasters covered under the Stafford Act.

On April 20, 2004, HUD approved a 100% match reduction for federal fiscal years 2004 and 2005, under provision 3 listed above.

Resale/Recapture Provisions

The participating jurisdiction has elected to continue the previously HUD-approved (March 17 and October 22, 1993) first-time homebuyer resale guidelines by following 24 CFR §92.254(a)(5)(ii), commonly called by HUD "Option #2", namely the recapture of the full HOME Investment subsidy amount out of the net sale proceeds. Such recaptured amounts will be recycled through the participating jurisdiction's HOME Investment Partnership fund in order to assist HOME eligible activities, as determined by the San Diego Housing Commission's annual budget process.

Tenant Based Rental Assistance (TBRA)

The Tenant Based Rental Assistance (TBRA) Program is not presently an active program, however, may become active at some time during the year. Program guidelines will be as follows:

- The TBRA Program, if activated, will provide rental assistance to low-income households.
- The TBRA Program will primarily focus on two groups of households: seniors and special needs. However, this does not preclude the Housing Commission from creating a TBRA Program if there is a need to assist low-income households who are neither senior nor special needs populations.
- "Special needs" is defined as those individuals with HIV/AIDS and/or other terminal illnesses; the frail elderly; persons with disabilities (e.g. a physical, mental or emotional impairment of long-continued duration); victims of domestic violence; homeless youth; and other groups that are either homeless or at high risk of being homeless if rental assistance is not obtained.
- "Senior" is defined as a person 62 years of age or older, or 55 years of age or older in a senior citizen housing development.
- Rental assistance will be provided to participating households who earn less than sixty percent (60%) of the area median income at the time of eligibility. Households will be screened for income eligibility as well as verification of "special needs" provided by participating social service providers.
- Households participating in the TBRA Program can be referred by government or nonprofit social service agencies assisting the "special needs" or "seniors" population.
- Participating households whose names are on the San Diego Housing Commission's Waiting List and receive TBRA will not lose assigned federal preferences or "Waiting List" status. As required by HOME regulations, at

least fifty percent (50%) of the households receiving TBRA must qualify for a federal preference.

- Households whose income increases to more than eighty percent (80%) of area median income prior to the expiration of the lease, will be notified that rental assistance will be terminated ninety (90) days from notice of income increase or expiration of the current lease, whichever comes first. In the event an eligible family becomes ineligible (e.g. the qualifying “special needs” or “senior” participant dies), the family may receive continued assistance for up to one hundred and twenty (120) days or the expiration of the lease, whichever comes first.
- TBRA for eligible participants will be provided on a yearly basis and may be extended for additional yearly terms. Participants will enter into a one-year lease with the property owner and that lease may be ended upon mutual consent of the participant and the owner. Additionally, the San Diego Housing Commission will execute a housing assistance payment contract with the owner that matches the term of the participant’s lease.
- The TBRA Program may only be used within the legal boundaries of the City of San Diego.
- The rent levels of TBRA will be calculated in the same manner as the HUD Voucher Program. The subsidy cannot exceed the difference between thirty percent (30%) of a families’ adjusted monthly income and the rent level. At no time will a family’s portion of the rent be less than one hundred dollars (\$100) per month.
- Units occupied by TBRA tenants must pass HUD Housing Quality Standards and rent reasonableness.
- TBRA participants may pay market rate security deposits. Additionally, there will be no provisions for rental property owners to make claims for vacancy loss, unpaid rent or damages.

Other Forms of Investment

None/Not Applicable

Affirmative Marketing

Owners of all HOME-assisted properties must comply with the City's Affirmative Marketing Policy as follows:

1. When advertising a unit, the owner will solicit applications in accordance with fair housing law.
2. When advertising assistance for first-time homebuyers, the lender will solicit applications in accordance with fair housing law.
3. The owner/lender will utilize various community contacts in order to solicit applications from a wide range of potentially eligible persons. These contacts may include, but not be limited to:

- A list of community based organizations, provided by SDHC;
 - Social service providers;
 - City-wide newspapers;
 - Community and minority newspapers;
 - Minority radio stations;
 - San Diego employers; and
 - HUD-approved homebuyer counseling agencies.
4. The owner/lender will use the fair housing logo or slogan in all advertisements.
 5. The owner/lender will post the fair housing logo in the applicable rental office or lending institution that is receiving HOME assistance.
 6. The owner/lender will provide fair housing information to potential tenants and homebuyers at pre-application briefings.
 7. The owner/lender will document all efforts to meet the requirements of this policy and will submit documentation to SDHC during its annual review of the project or when requested. If during that review, SDHC finds that the owner has not complied, then it will recommend corrective actions.

Minority/Women's Business Outreach

Staff conducts a variety of outreach efforts to ensure the participation of minority and women's businesses. Examples of some of these efforts include:

1. Utilizing the CalTrans electronic bulletin board system to locate prospective DVBE/DBE bidders for all major solicitations;
2. Advertising all major bids in targeted minority and women- focused newspapers;
3. Placing a major portion of formal RFP/RFQ/IFBs in the bid room at the Contracting Opportunity Center for increased access by small businesses;
4. Contacting minority organizations such as the Latino Builders Association, Black Contractors Association and Women in Construction Association to make them aware of contracting opportunities; and
5. Contracting with a Temporary Employment Agency to assist with employment and training opportunities for Section 3 area residents.

Additional efforts are made throughout the year depending on available opportunities.

Refinancing

This Consolidated Plan includes the HOME Investment Partnerships Program (HOME). Under certain circumstances, HOME allows the use of HOME funds for refinancing. However, the HUD regulations, at 24 CFR 92.206(b), require that "Refinancing Guidelines" be included in the local participating jurisdiction's Consolidated Plan. Subject to certain HUD requirements, the local participating jurisdiction designs its own

"Refinancing Guidelines", and includes these guidelines in the Consolidated Plan for public input and HUD review/approval.

The HOME regulations, at 24 CFR 92.206(b), allow HOME funds to pay *"the cost to refinance existing debt secured by housing that is being rehabilitated with HOME funds:*

1. *For single family (1 to 4 family) owner-occupied housing when lending HOME funds to rehabilitate the housing, if the refinancing is necessary to reduce the overall housing costs to the borrower and make the housing more affordable;*
2. *For multifamily projects, when lending HOME funds to rehabilitate the units if refinancing is necessary to permit or continue affordability under 24 CFR 92.252. The Participating Jurisdiction must establish refinancing guidelines and state them in its consolidated plan."*

The HUD Los Angeles Area Office staff has orally confirmed that HUD's intent in the above-stated 24 CFR 92.206(b) reference to "the cost to refinance existing debt" is not simply to use HOME funds to pay for the lender's costs and fees associated with a refinancing, but also to pay for the refunding in replacing the existing debt with new debt. The proposed "Refinancing Guidelines" below describe the conditions under which the City of San Diego, through SDHC, will use HOME funds in any project proposing to refinance existing debt on a multifamily housing property.

1. **NOT FOR SINGLE-FAMILY HOUSING:** Although HUD's HOME regulations allow HOME funds for refinancing in connection with "single family (one to four family) housing", SDHC staff is proposing that HOME funds to refinance may only be allowed in connection with multifamily housing projects; refinancing may not be allowed with single family housing; HUD defines "single family housing" as one to four units.
2. **"HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG".** (This is a HOME regulations requirement, at 24 CFR 92.206(b)(2)(vi)).
3. **HOME funds may not be used to refinance properties that previously received HOME funding.** This is a HOME regulations requirement. It is stated, at 24 CFR 92.214(a)(7), that HOME funds may not be used to provide HOME assistance (beyond one year after project completion) to a project previously assisted with HOME funds during the period of affordability established in the original written agreement.
4. **Use of HOME funds for refinancing will only be allowed in multifamily projects, which are proposed to be rehabilitated with HOME funds.** This is a HOME regulations requirement. It is stated, at 24 CFR 92.206(b), that HOME funds may be used to pay "the cost to refinance existing debt secured by housing that is being rehabilitated with HOME funds (emphasis added).
5. **The refinancing must be necessary to permit or continue affordability** under HOME regulations at 24 CFR 92.252 ("Qualification As Affordable Housing: Rental Housing"). The purpose of the refinancing must be to maintain current affordability and/or create additional affordable units. This is a HOME regulations requirement at 24 CFR 92.206(b)(2).

6. **The new investment of HOME funds for refinancing can be made either to maintain current affordable units, or to create additional affordable units.** Levels of affordability will be, at a minimum, those required by the HOME Program regulations. This guideline is a HOME regulations requirement, at 24 CFR 92.206(b)(2)(iii): the Guidelines must "state whether the new investment is being made to maintain current affordable units, create additional affordable units, or both."

For those projects which currently have affordable (non HOME-funded) Housing Commission-restricted units and which may seek to use HOME Program "Refinancing With Rehabilitation" the requirement to "maintain current affordable units or create additional affordable units" may also be met by increasing the project's current affordability level. For example, an increased affordability level may be achieved:

1. by lowering the existing rent restrictions;
2. by increasing the number of affordable/restricted units;
3. by extending the term of existing affordability restrictions; or
4. by a combination thereof.

The level of additional affordability (if any) will be determined in the context of overall financial feasibility of each financing.

7. **Regardless of the amount of HOME funds invested, the minimum affordability period shall be at least 15 years.** This is a HOME regulations requirement at 24 CFR 92.206(b)(2) and by 24 CFR 92.206(b)(2)(iv), (HOME normally requires minimum affordability periods: under \$15,000/unit = 5 years; \$15,000-\$40,000/unit = 10 years; over \$40,000/unit = 15 years; new construction = 20 years).
8. **The investment of HOME funds, for refinancing will be allowed jurisdiction-wide.** Eligible properties must be **located in the City of San Diego.** This is a HOME regulations requirement at 24 CFR 92.206(b)(2)(v), which requires the guidelines to specify whether the investment of HOME funds, for refinancing, will be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy.

EMERGENCY SHELTER GRANT (ESG) PROGRAM

The ESG Program provides for the following types of activities within the City of San Diego:

Administrative Costs (up to 5 percent of the grant) may be spent for administering the grant. Eligible administrative costs include staff to operate the ESG program, preparation of progress reports, audits, and monitoring of sub-recipients.

Essential Services (not more than 30 percent of the annual grant allocation) addresses the needs of homeless persons living on the street, in emergency shelters, and/or in transitional housing. Essential services can address the immediate needs of the homeless, and can enable homeless persons to become more independent and to secure permanent housing.

Homeless Prevention Activities (not more than 30 percent of the annual grant allocation) allow for a broad array of financial assistance and supportive services that can be provided to help prevent persons from becoming homeless. Homeless prevention means activities or programs designed to prevent the incidence of homelessness.

Operational Costs (not more than 10 percent of the annual grant allocation, with the exception of staff salaries for security and maintenance) may be used for costs to cover a broad array of emergency shelter and transitional housing operating costs. Costs include but are not limited to shelter maintenance, operation, rent, repairs, security, equipment, insurance, utilities, and other expenses.

Renovation, Rehabilitation or Conversion of buildings to be used as emergency shelters. Conversion is a change in the use of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs exceed 75 percent of the value of the building after conversion (must be used as a shelter for at least 10 years). Major Rehabilitation involves in excess of 75 percent of the value of the building before rehabilitation (must be used as a shelter for at least 10 years). Renovation involves rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation (must be used as a shelter for at least 3 years).

Process and Criteria for Awarding Grant Funds

The City solicits proposals from non-profit care providers to participate in the ESG Program. Submitted proposals adhered to HUD Federal Register 24 CFR Part 576, which pertain to the ESG Program. Additionally, the proposals contained the following information: program description, general need statement for emergency shelter grant assistance program objectives identifying use of funds tied to program, desired program outcomes on a quarterly basis, proposed budget which includes essential supportive service costs, operation and maintenance costs, capital costs, and evidence of supplemental funding.

Source and Amount of Matching Funds

The service providers submit evidence of matching funds from governmental, private, or non-profit entities in order to qualify for funding under the ESG Program. The City is also committed to matching resources for the ESG Program in the areas of staff time, volunteer services, and donated material and equipment.

The City, County and United Way have formed a partnership with local business, financial, academic, nonprofit and other segments within the community to create and implement the Plan to End Chronic Homelessness (PTECH). They began meeting in October to develop the Plan with an expectation that it will be completed and approved by City Council in late Spring, with implementation to follow. There are approximately 1,100 chronically homeless living in the City. To date, more than 500 permanent supportive housing units have been developed. During the implementation stage of the PTECH, it is anticipated that by 2012 another 800 units will be added and the number of other types of appropriate permanent housing will be expanded.

HOPWA PROGRAM

Relation of Proposed Activities to Urgent Needs

The *San Diego Countywide Strategic HIV/AIDS Housing Plan* provides a framework for assessing and planning for the housing and housing related support service needs of persons living with HIV/AIDS and their families. Given the dynamic nature of the HIV disease and the uncertainty of government funding in the future, the needs of persons living with HIV/AIDS and the most appropriate strategies to meet those needs must be reassessed regularly. This plan is to be built upon, revised, and expanded as the current objectives are met and new gaps and needs emerge.

Program staff has had to work diligently with community based organizations, government agencies and developers to establish adequate housing and support services for people living with HIV/AIDS. HOPWA staff has also established a subcommittee of the Joint City/County HIV Housing Committee to review the priorities set forth in the 1999 *San Diego Countywide HIV Strategic Housing Plan* to develop funding priorities for FY 2005.

It should be noted that the long-term rental assistance is a set aside for the HOPWA tenant-based rental assistance program operated by the San Diego Housing Authority and the technical assistance funds are targeted to updating of the *San Diego Countywide Strategic HIV/AIDS Housing Plan*.

Strategies

Within the continuum of housing and services for residents in the San Diego Region, two urgent gaps have been identified:

- **Affordable Permanent Housing Units:** with a 1 percent vacancy rate in the County and market rents on the rise, there is a critical need for affordable housing.
- **Emergency Housing:** There is a need for both facility-based and hotel/motel vouchers to aid those who are homeless and in urgent need of shelter.

There is a need for improving coordination and collaboration at every level in the systems of funding and delivery of medical, social, housing, job training, mental health and chemical dependency services. The best quality and most cost-effective care and can be obtained by close coordination and collaboration with other HIV/AIDS funding sources. To that end, discussions have begun with the Office of AIDS Coordination in the County of San Diego Health and Human Services Agency to manage the HOPWA entitlement grant along with the Ryan White CARE Act grant. The County Department of Housing and Community Development staff already serves on many joint committees for priority setting and service delivery.

Method of Selecting Sponsors

Given the dynamic nature of the HIV/AIDS diseases and the uncertainty of future federal funding, the needs of persons living with HIV/AIDS and the most appropriate strategies to meet those needs must be revisited regularly. The County Department of Housing and Community Development (HCD) utilize Housing Opportunities for

Persons with AIDS (HOPWA) funds to implement the *San Diego Countywide Strategic HIV/AIDS Housing Plan*. The Action Plan for the use of HOPWA funds in FY 2005 is incorporated into the Annual Funding Plan for the Urban County as well as in that of the City of San Diego.

Using the priorities identified above, the HOPWA formula grant program will provide funding for a variety of activities for low-income persons living with HIV/AIDS (PLWAs) and their families in San Diego County: Some include:

- Transitional group housing
- Intensive case management
- Long-term scattered site housing
- Information and referral services
- Moving services
- Residential services coordination
- Employment support project
- Residential care facility for the chronically ill
- Transitional group home for recovering addicts
- Continued development of permanent housing units
- Updating of the *San Diego Countywide Strategic HIV/AIDS Housing Plan* originally approved in October 1999

Public and Private Sector Resources

The following community-based and county agencies provide housing and supportive services for HOPWA eligible individuals and their families:

- AIDS Case Management, County of San Diego Health & Human Services Agency
- Being Alive San Diego, Inc.
- Community HousingWorks, Inc. (formerly Community Housing of North County)
- Fraternity House, Inc.
- San Diego County Department of Housing and Community Development
- PACTO Latino AIDS Organization, Inc.
- St. Vincent de Paul Village, Inc.
- Southern California Housing Development Corporation, Inc.
- Stepping Stone of San Diego, Inc.
- Townspeople, Inc.
- Center for Support and Education, Inc.
- Family Health Centers. Inc.

The ability to fund these programs is based upon projections of prior years' applications for funds. Final funding recommendations are expected to be adopted in May 2005.

REQUESTS FOR CDBG FUNDING

The following applications have been received for CDBG funding in FY06. This list represents applications, not commitments to fund. Because the amount in requested funds exceeds the amount of funds available, some of these applications may not be approved for funding, or may be funded at less than requested. The final decision on funding will be made during the annual budget process in June 2005.

No	Agency	Project	Amount
1	City of San Diego CED/Community Services	Mentor Protégé Program	\$45,000
2	El Cajon Blvd Business Improvement Association	Economic Development Program	\$882,000
3	Little Italy Association of San Diego	City School Project	\$30,000
4	Central Commercial District Revitalization Corp.	Cesar Chavez Plaza	\$30,000
5	San Diego Imperial Counties Labor Council	Safe Homes Project	\$675,000
6	San Diego Imperial Counties Labor Council	The Prosperity Project	\$420,000
7	San Diego Imperial Counties Labor Council	Safe and Accessible Sidewalks	\$400,000
8	Karibu Center for Social Support and Education	Karibu	\$20,000
9	Clairemont Friendship Center Incorporated	Florence Riford Senior Center/Air Conditioning	\$10,504
10	Cherokee Point Neighborhood Association	38th Street Landscaping	\$25,272
11	Senior Community Centers	Broadway Center Replacement Project	\$75,000
12	Senior Community Centers	City Heights Senior Housing Project	\$75,000
13	Senior Community Centers	Kitchen Completion Project	\$97,860
14	Local Initiatives Support Corporation (LISC)	Revitalization Initiative III	\$125,000
15	San Diego Model School Development Agency	Model School Project	\$50,000
16	Urban Corps of San Diego	SD Neighborhood Enhancement & Revitalization	\$215,000
17	Urban Corps of San Diego	Youth Environmental and Education Center	\$234,000
18	San Diego Youth & Community Services	Take Wing-ADA & Code Compliance	\$24,000
19	San Diego Youth & Community Services	Y.E.T. Center- ADA Paving and Code Compliance	\$11,851
20	Peninsula Shepherd Center	Minor Home Repair	\$7,500
21	San Diego Second Chance Program	Second Chance Comm. Resource & Reentry Ctr	\$645,000
22	Sherman Heights Community Center Corporation	Capitol Improvements Project	\$81,000
23	YMCA of San Diego County-Copley Family Branch	Architectural Plans for a New Facility	\$100,000
24	ACCION San Diego	Microlending Program	\$346,000
25	Euclid Ave Revitalization Action Program (RAP)	Euclid Ave Walkable Communities	\$285,000
26	SD Community Housing Corporation (SDCHC)	District 4 Housing Impact Project	\$1,475,000
27	SD Community Housing Corporation (SDCHC)	District 8 Housing Impact Project	\$125,000
28	San Diego Housing Commission	Otay Villas	\$1,170,000
29	San Diego Housing Commission	Affordable Housing Program	\$1,382,638
30	San Diego Home Loan Counseling & Ed Center	Financial Keys to Affordable Housing	\$110,000
31	Frank Steven Salas Charfauros Association	Futures, visions, affixations-Y2006 Planning Project	\$90,000
32	Frank Steven Salas Charfauros Association	FSC Association Project	\$530,000
33	National Medical Ass. Comprehensive Health Ctr	NMA- CHC Facility Consolidation	\$27,000
34	National Medical Ass. Comprehensive Health Ctr	Homeless Medical Care- SD Rescue Mission	\$175,000
35	Access, Inc.	Microenterprise and Binational Education Services	\$114,000

No	Agency	Project	Amount
36	University Heights Comm Dev Corporation(UHCDC)	CDBO- Planning & Revitalization	\$36,000
37	Live and Let Live Alano Club	Capitol Fund Campaign	\$425,000
38	Fox Canyon Neighborhood Association, Inc.	Fox Canyon Neighborhood Code Enforcement CD7	\$86,400
39	Fox Canyon Neighborhood Association, Inc.	Euclid Ave Neighborhood Code Enforcement CD3	\$86,400
40	Fox Canyon Neighborhood Association, Inc.	Westside of Euclid Ave Street Lights	\$3,240
41	Fox Canyon Neighborhood Association, Inc.	Fox Canyon Parkland	\$250,000
42	Fox Canyon Neighborhood Association, Inc.	Auburn Drive Sidewalks	\$48,600
43	Fox Canyon Neighborhood Association, Inc.	Fox Canyon No Parking Street Sweeper Signs	\$9,450
44	San Diego Community Housing Corp (SDCHC)	City Heights Housing Impact Project	\$200,000
45	San Diego Community Housing Corp (SDCHC)	Mitigating Impact from Neil Good Day Center	\$50,000
46	East Village Community Action Network	East Village/Barrio Logan Arts Dist Design Charette	\$40,000
47	San Diego City-County Reinvestment Task Force	San Diego Land Trust	\$50,000
48	Rebuilding Together San Diego	Rebuilding Together San Diego	\$145,000
49	Rebuilding Together San Diego	Warehouse Relocation	\$43,000
50	Comprehensive Training Systems	Pathway to Business	\$50,000
51	Greater San Diego Citizens Patrol, Inc.	Mid-City Crime Prevention Coalition	\$30,000
52	Latino Builders Development Corporation (LBDC)	Community Development Projects	\$180,000
53	Housing Our People Economically (HOPE)	Operation Blight Elimination	\$55,000
54	Boys & Girls Clubs of Greater San Diego	Encanto Branch Gamesroom/Playground Renov	\$50,000
55	Boys & Girls Clubs of Greater San Diego	Clairemont Branch Gamesroom/Playground Renov	\$75,000
56	Boys & Girls Clubs of Greater San Diego	Linda Vista Branch Renovation Project	\$75,000
57	Boys & Girls Clubs of Greater San Diego	WJ Oakes Branch Renovation Project	\$50,000
58	San Diego Family Care dba Mid-City Com Clinic	Community Clinic Expansion Project	\$300,000
59	San Diego Family Care dba Mid-City Com Clinic	Community Clinic Expansion Project	\$367,000
60	San Diego Historical Society	Villa Montezuma Rehabilitation	\$1,261,230
61	People For Trees	Urban Forestry Resource Center, Phase II	\$54,000
62	People For Trees	Citywide	\$130,000
63	San Diego LGBT Community Center	Renovation of Existing Building	\$154,000
64	Bayside Community Center	Linda Vista Housing Counselor Project	\$72,763
65	NU View Ministries Inc	Internet Resource & Training	\$200,000
66	Supreme Council of the Somali Community	African American Refugee Culture Center	\$100,000
67	Alpha Project for the Homeless	Take Back the Streets	\$495,000
68	Chinese Consolidated Benevolent Assoc.	Replace Deteriorated Wood Floor	\$140,000
69	San Diego Center for Children	Reconstruction & Repair of Adolescent	\$188,500
70	Family Health Centers of San Diego	Gateway Site - Security Upgrade	\$50,000
71	Sherman Heights Family Health Center	Sherman Heights Family Health Center Expansion	\$70,000
72	Sherman Heights Family Health Center	Housing Services Project	\$75,000
73	The George G Glenner Alzheimer's Family Center	Alzheimer Family Centers	\$8,900
74	Union of Pan Asian Communities	Seismic Upgrades	\$363,900
75	Union of Pan Asian Communities	Multicultural Economic Development	\$202,082
76	Youth Tennis SD, Inc. & Greater SD City Tennis Council	SW High Rehabilitation of public facilities for recreation	\$20,000

No	Agency	Project	Amount
77	Christie's Place	Support for Women, Children & Families living w/HIV/AIDS	\$210,000
78	The Salvation Army	Door of Hope Perm Supportive Housing Planning Project	\$120,000
79	The Ocean Beach Main Street Association	OB Commercial Revitalization/Newport Ave. ADA Improv	\$250,000
80	North Park Organ of Businesses, Inc NP Main Street	North Park Pedestrian Countdown Timers	\$40,000
81	Bayside Community Center	Linda Vista Housing Counselor Project	\$170,000
82	Metro United Methodist Urban Ministry	YO! Spot Youth Center	\$400,000
83	National Medical Ass. Comprehensive Health Ctr	NMA- CHC Facility Consolidation	\$27,000
84	National Medical Ass. Comprehensive Health Ctr	Homeless Medical Care- SD Rescue Mission	\$175,000
85	Environmental Health Coalition	City of SD Lead Hazard Control Program- Outreach	\$50,000
86	City Heights Community Development Corporation	Rebuild City Heights-Improve Neighborhoods	\$125,570
87	City Heights Community Development Corporation	Rebuild City Heights: Families Earn and Save More	\$94,864
88	City Heights Community Development Corporation	City Heights Community Technology Network (CTN)	\$145,500
89	City Heights Community Development Corporation	Rebuild City Heights: Quality Affordable Housing	\$615,549
90	City Heights Community Development Corporation	Community Energy Efficiency Enterprise (C3E)	\$388,425
91	Ocean Beach Community Development Corporation	Entryway Pedestrian Plaza and Pathway	\$150,000
92	Ocean Beach Community Development Corporation	Construct Entryway Pedestrian Plaza, Pathways & Cross	\$375,000
93	Asian Business Association, San Diego (ABA)	Multicultural Microenterprise Assistance Project	\$100,000
94	S.V.D.P. Management, Inc (dba Father Joe's Villages)	Bishop Maher Center (BMC) Rehabilitation Project	\$114,750
95	Lutheran Social Services of Southern California	Caring Neighbors	\$200,000
96	YWCA of San Diego County	South Center Demolition Project	\$30,000
97	Keith Awrey	Homeless to Homeowner	\$6,000
98	San Diego Youth & Community Services	Take Wing-Energy Efficiency Installs	\$21,580
99	City of San Diego Park & Recreation Department	Vista Terrace Neighborhood Park-Play area upgrade & ADA	\$401,000
100	City of San Diego Park & Recreation Department	JF Kennedy Neighborhood Park-Play are Upgrade & ADA	\$717,000
101	Educational Enrichment Systems, Inc (EES)	Linda Vista Infant Toddler Center Project	\$94,991
102	Educational Enrichment Systems, Inc (EES)	Linda Vista Child Development Center Project	\$585,213
103	The Walter J Porter Educational & Comm Foundation	Youth Exercise & Nutrition Program	\$25,000
104	Burn Institute	Senior Fire and Burn Prevention Program	\$53,663
105	Townspople	Wilson Avenue Apartments	\$65,812
106	Labor's Community Service Agency (LCSA)	Neighborhood Security and Minor Home Repair	\$160,000
107	Linda Vista Civic Association	Linda Vista Revitalization	\$64,800
108	Linda Vista Community Development Corporation	Linda Vista Sustainability	\$86,400
109	Business Improvement District Council	Core Business District: A portion of Mi Pueblo	\$220,000
110	SD County Hispanic Chamber of Commerce (SDCHCC)	DEVO-Micro Enterprise Outreach	\$140,000

No	Agency	Project	Amount
111	Aquatic Adventures Science Education Foundation	Aquatic Adventures Renovation and Expansion	\$120,000
112	Focus Project	Tubman Chavez	\$250,000
113	San Diego Urban Farms	Morse High School Urban Farm/Community Food Asses	\$99,996
114	The San Ysidro Chamber of Commerce	San Ysidro Business Retention & Job Creation Project	\$19,000
115	San Ysidro Health Center, Inc.	Downtown Mental Health Center Fire Escape	\$25,000
116	The Access Center of San Diego	Health Related Environmental Upgrade	\$30,000
117	City Heights Town Council	Code	\$55,000
118	Azalea Park Neighborhood Assoc-City of SD - CHTC	Azalea Park Neighborhood Identification Project	\$35,000
119	City Heights Town Council	Rental Owners and Renter Stability Project	\$22,000
120	Girl Scouts, San Diego-Imperial Council, Inc.	Nature Appreciation Building	\$92,052
121	City of San Diego/Shirley Ann Place Historical District	Shirley Ann Place Historical District	\$30,000
122	Center for Employment Training	CDBG Housing Incentive Assistance Program	\$82,000
123	UnderseaCamp, Inc.	Dormitory Renovation	\$102,000
124	Coalition of NeighCouncils/Euclid-Market Action Team	CNC Youth Leadership Initiative-Youth Ambassadors	\$77,220
125	Center for Community Solutions	H.E.A.L.	\$21,600
126	Pazzaz, Inc.	Pazzaz Program Expansion	\$500,000
127	Adams Avenue Business Association	Adams Avenue Revitalization	\$147,960
128	Gaslamp Quarter Historical Foundation (GQHF)	W.H. Dacis House ADA Renovations	\$300,000
129	Indian Human Resource Center	American Indian Culture Center and Museum	\$200,000
130	Pro Kids	Maintenance Equipment Storage Shed & Parking lot light	\$60,000
131	Bronze Triangle Community Development Corporation	COMM22 Development	\$150,000
132	City of San Diego- Park and Recreation Department	ADA Title II Self Eval Survey & Transition Plan Update	\$250,000
133	Inner City Youth of San Diego (ICY)	Community Empowerment Center	\$160,000
134	San Ysidro Business Association	San Ysidro Public Safety Improvements	\$375,000
135	San Diego Regional Afr. Amer. Chamber of Commerce	African American Bus Lending & Empowerment(AABLE)	\$120,000
136	Cheryl Alethia Phelps, LLC CAP/LLC	Creative Comm Project@ Tubman-Chavez MultiCul Ctr	\$132,000
137	International Rescue Committee (IRC)	Microenterprise Asset Development (MEAD) Project	\$135,304
138	ElderHelp of San Diego and Alpha of San Diego	Razing the Roof for Seniors, Families & Youth	\$37,475
139	Alpha of San Diego	Two Way Mirror for Counseling Services	\$6,000
140	Community Housing Works	Housing Counselor	\$79,000
141	Community Housing Works	Face Lift	\$15,000
142	Community Housing Works	HomeOwnership Center	\$250,000
143	The WorldBeat Center	WBC Restoration	\$125,000
144	The Fair Housing Council of San Diego, Inc.	Fair Housing and Tenant/Landlord Education/Mediation	\$40,000
145	Greater Golden Hill Community Development Corp.	25th Street Revitalization	\$300,000
146	Alliance for African Assistance	ADA Compliance Building Renovation	\$180,000
147	Alliance for African Assistance	Alliance Microbusiness Program	\$200,000

No	Agency	Project	Amount
148	City of San Diego, Neighborhood Code Compliance	Removal of Barriers to Mobility	\$66,177
149	City of San Diego, Nbh Code Compliance	Proactive Code Enforcement	\$83,469
150	City of San Diego, Neighborhood Code Compliance	Removal of Barriers to Mobility	\$66,177
151	City of San Diego, Neighborhood Code Compliance	Mitigation of Vacant and/or Dilapidated Buildings	\$87,570
152	City of San Diego, Neighborhood Code Compliance	Proactive Code Enforcement	\$261,551
153	City of San Diego, Neighborhood Code Compliance	Proactive Code Enforcement	\$83,469
154	City of San Diego, Neighborhood Code Compliance	Proactive Code Enforcement	\$83,469
155	City of San Diego, Neighborhood Code Compliance	Proactive Code Enforcement	\$288,618
156	City of San Diego, Neighborhood Code Compliance	Proactive Code Enforcement	\$83,469
157	City of San Diego, Neighborhood Code Compliance	Drug Abatement Response Team (DART)	\$89,865
158	City of San Diego, Neighborhood Code Compliance	Proactive Code Enforcement	\$83,469
159	San Diego City Schools	Race Human Relations and Advocacy	\$5,825,858
160	City of San Diego/Environmental Services Dept.	Lead Safe Neighborhoods Program	\$290,000
Total			\$35,038,975

HOPWA FUNDING

HOPWA funds have not yet been allocated as of this writing. In FY05, the distribution of funds was as follows:

Service Category/Activity	FY05 Ranking ²	Percentage
Rental Assistance (Short Term)	1	21.0%
Rental Assistance (Long Term)	2	20.0%
Supportive Services	3	20.0%
Operating Cost	4	23.0%
Acquisition, Rehabilitation and Development	5	14.0%
Information and Referral	6	2.0%
		100.0%

² This table does not include technical assistance, which was included last year, since these funds have been expended and no further allocation is anticipated. The figures above represent the general distribution of funds that can be anticipated in FY06, minus the technical assistance category.

ESG FUNDING

ESG funds have not yet been allocated as of this writing. In FY05, the distribution of funds was as follows:

Anticipated FY06 Allocation: \$667,873	Distribution Criteria	Maximum Potential Allocation
Administrative costs	up to 5%	up to \$33,394
Essential services	up to 30%	up to \$200,362
Homeless prevention activities	up to 30%	up to \$200,362
Operational costs	up to 10% ³	up to \$66,787
Renovation, rehabilitation or conversion	up to 25%	up to \$166,968

³Some exceptions apply, including staff salaries for security and maintenance.

PUBLIC NOTICE**FY06 ANNUAL ACTION PLAN
FOR THE CITY OF SAN DIEGO**

A draft of the City of San Diego's FY06 Annual Action Plan will be available for public review from February 15, 2005 through May 3, 2005. The purpose of the public review is to provide the public with an opportunity to comment on the expenditure of approximately \$29 million dollars in federal community development programs: Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), American Dream Downpayment Initiative (ADDI), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with Aids (HOPWA).

The anticipated amount of federal funds to be received in FY06 (July 1, 2005 to June 30, 2006) are as follows:

Community Development Block Grant (CDBG)	\$17,282,982
HOME Investment Partnership Program (HOME)	\$9,009,931
American Dream Downpayment Initiative (ADDI)	\$293,767
Emergency Shelter Grant (ESG)	\$667,873
Housing Opportunities for Persons with AIDS (HOPWA)	\$2,527,000
TOTAL	\$29,781,553

The process for determining the distribution of these funds is just now underway. The following represents the approximate distribution of funds from FY05; the exact amounts for FY06 will be approved at a City Council meeting in May.¹

CDBG: Public facilities 28%; Section 8 Loan Payments 19%; public services 13%; code enforcement 4%; other housing assistance 9%; economic development 3%; planning/administration 7%; reserves and reprogrammed funds 14%; other 3%

HOME/ADDI: New construction 54%; Community Housing Development Organizations 14%; homeownership activities 14%; rehabilitation 9%; program administration 9%

ESG: Shelter operations 81%; adult day care center operations 19%

HOPWA: Supportive services 33%; housing operations and assistance 48%; case management 14%; other 5%

The Draft Plan will also be made available in the reference section of the City's libraries and in all of the Community Service Centers. You may provide your comments in writing to Jackie Harris, San Diego Housing Commission, 1625 Newton Avenue, San Diego, California 92113 or via e-mail to jackieh@sdhc.org. The Plan will be also available for review on the Housing Commission's website: www.sdhc.net.

¹The final distribution of CDBG funds will be approved as part of the annual budget process in June.

**SCHEDULE OF PUBLIC HEARINGS
RE: FY06 ANNUAL ACTION PLAN**

Tuesday Feb. 15, 2005 5:30 p.m.	San Ysidro Planning and Development Group 4350 Otay Mesa Road, San Ysidro School District Education Center Board Room David Flores, Chair (619) 428-1115
Tuesday Feb. 22, 2005 7:00 p.m.	Community Planners Committee Meeting Metro Ops Center, 9192 Topaz Way, San Diego, 92123-1119 Dave Potter, Chair (619) 275-5120
Friday Feb. 25, 2005 9:00 a.m.	Housing Commission Meeting 202 C Street, 12 th floor, Committee Room (578-7539)
Friday Feb. 25, 2005 2:15 p.m.	Citizens Review Committee Meeting 202 C Street, 12 th floor - City Council Committee Room Linda Woodbury, Disability Services Coordinator, (619) 236-5985
Monday Feb. 28, 2005 7:00 p.m.	Linda Vista Community Planning Committee Meeting 2160 Ulric Street-Linda Vista Library Ed Cramer, Chair (619) 222-2047
Monday March 7, 2005 6:30 p.m.	City Heights Area Planning Committee Meeting 3910 University Avenue, Metro Career Center Conference Room Michael Sprague, Chair (619) 255-7902
Monday March 14, 2005 7:00 p.m.	Southeast San Diego Development Committee Meeting 841 S. 41 st Street-Neighborhood House Association Steve Veach, Chair (619) 238-4537
Tuesday March 15, 2005 6:30 p.m.	Greater North Park Planning Committee 2901 North Park Way, North Park Christian Fellowship Michael Powers, Chair (619) 280-5184
Wednesday April 6, 2005 2:00 p.m.	City Council Land Use and Housing Committee Meeting 202 C Street, 12 th floor, (533-4000)
Tuesday May 3, 2005 2:00 p.m.	City Council Meeting - Annual Action Plan Adoption 202 C Street, 12 th floor, (533-4000)