



Good Neighbors

San Diego
Housing Commission

REPORT

DATE: For Agenda of March 23, 2001 **Item 101**

REPORT NO.: HCR01-040

SUBJECT: City of San Diego's Consolidated Plan (Citywide)

SUMMARY

Issue: Should the Housing Commission recommend City Council approval of the updated FY2001-FY2005 Consolidated Plan (ConPlan) for submission to the U.S. Department of Housing and Urban Development (HUD)?

The updated FY2001-2005 ConPlan was prepared according to HUD regulations and serves as both a comprehensive City policy document on housing and community development and as an application for federal funds for FY2002.

Recommendation: That the City Council approve the updated FY2001-2005 Consolidated Plan, including the FY02 Action Plan, for submission to HUD.

Fiscal Impact: None with this action. The FY02 Action Plan included in the updated FY2001-2005 ConPlan serves as the application for approximately \$30.5 million in federal funds that support affordable housing and community/economic development activities.

Affordable Housing Impact: None with this action; however, the FY2001-2005 ConPlan sets an estimated goal of providing an additional 1,500 low-income households with affordable housing services, during each of the fiscal years of the reporting period.

Previous Related Action(s): City Council approved the City's FY2001-FY2005 Consolidated Plan on May 1, 2000. The Plan was then submitted to HUD on May 15, 2000 and subsequently approved.

Future Related Action(s): Attachment 3 is a schedule of community and public hearing presentations, including presentations to the City Council's Land Use and Housing Committee and the City Council. After City Council approval, the updated FY2001-2005 ConPlan will be submitted to HUD before May 15, 2001, for their review and approval.



BACKGROUND

As part of the 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 action plans and performance reports.

The attached ConPlan is the City of San Diego's second 5-year Consolidated Plan covering Fiscal Years 2001-2005 and serves as the combined application for four of HUD's FY2002 formula-based programs:

- HOME Investment Partnerships (HOME: \$8,654,000)
- Community Development Block Grant (CDBG: \$18,911,000)
- Emergency Shelter Grants (ESG: \$644,000)
- Housing Opportunities for Persons with AIDS (HOPWA: \$2,427,000)

NOTE: The City of San Diego will be the grantee for Housing Opportunities for Persons with AIDS funds, although the County of San Diego has acquired fiscal and administrative responsibility for HOPWA programs. Proposed FY2002 projects will be reported in the City of San Diego's FY2001-05 Consolidated Plan and will be listed in the County's 5-year Consolidated Plan as informational.

In addition to serving nearly 29,060 households each year through the Housing Commission administered programs, the City's FY2001-FY2005 Consolidated Plan sets an affordable housing goal of 7,500 new low-income households to be assisted with housing services during the reporting period, at approximately 1,500 low-income households assisted each year. The FY2002 Action Plan (pages 4-1 through 4-76 of the ConPlan) details the needs and resources identified for the next fiscal year.

DISCUSSION

Overview

The City's ConPlan serves a dual purpose. First, the ConPlan 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 four federal entitlement programs, totaling approximately \$30.5 million each fiscal year.

This updated FY2001-2005 ConPlan has been developed as a collaborative effort between staff of the Housing Commission and the City's Community and Economic Development Department. Opportunities for public input on the plan are available through a series of community presentations and hearings (see Attachment 3).

FY2001-2005 Consolidated Plan Contents

The FY2001-FY2005 Consolidated Plan is formatted to present information on the conditions that influence the City's community development efforts. The Plan describes how the City is meeting the statutory requirements of specified federal grant programs. Those statutes must primarily benefit low- and extremely-low income persons. The statutes set three basic goals:

1. Provide decent housing
2. Provide a suitable living environment
3. Expand economic opportunities

In addition, the Consolidated Plan:

- Identifies priority needs;
- Describes a process to produce coordinated neighborhood and community objectives to revitalize communities;
- Establishes the City's housing, community and economic development strategies;
- Describes specific programs that satisfy statutory goals; and
- Provides City officials and citizens with an overview of San Diego's Affordable Housing, Economic Development and Human Service plans on a citywide basis.

The major sections of the Plan are:

- **Executive Summary:** provides an overview of the updated FY2001-2005 ConPlan.
- **Section 1, Community Profile:** tells who we are in demographic detail. Projections are included that estimate the demographics of the near future.
- **Section 2, Housing Needs Assessment:** describes the housing needs of the current and projected population, including those with special housing needs.
- **Section 3, Strategic Plan for Community Development:** forms the framework that guides community development efforts.

- **Section 4, FY2002 Action Plan:** describes the City's Affordable Housing, Economic Development and Human Services needs and priorities, strategies, and programs and service providers. (Attachment 1 is a Summary of the FY02 Action Plan, excerpted for convenience of the reader.)

NOTE: HUD has recently notified recipients that 2000 Census Data applicable to the Consolidated Plan is not expected to be available for 2.5 years. At that time, a new Five Year Consolidated Plan will be prepared and submitted utilizing the more current data.

STRATEGIES

Key Goals of the Affordable Housing Strategy

- Provide rental assistance to alleviate housing cost burden.
- Increase the supply of standard, affordable housing through the acquisition and rehabilitation of existing housing units, and the construction of new units.
- Develop and implement policies and programs that provide a catalyst for private sector development of affordable housing.
- Assist low-income families who could benefit from participation in a first-time homeownership program.
- Address the supportive housing needs of the urban and rural homeless, and persons other than the homeless, with special needs, through support facilities and services.
- Implement Resident Initiatives by encouraging those receiving housing assistance to become participants in social service programs.
- Revitalize the City's older neighborhoods through Housing Rehabilitation.

Key Goals of the Economic Development Strategy:

- Emphasis on a business friendly environment that encourages business investment.
- Provision of incentives to retain businesses that might otherwise be attracted to other, less costly locales.
- Special attention to community building, revitalization, and economic development/redevelopment within San Diego's older and lower income neighborhoods.

- Strengthen and form partnerships between business, government, academia, industry associations, and the community as a means of facilitating economic development, neighborhood revitalization, and workforce development.
- Recognition of the importance of small businesses to the City's economy and to the neighborhoods in which they are located.

Key Goals of the City's Human Services Strategy:

- Facilitate a regional solution to homelessness.
- Expand the availability of childcare throughout the City.
- Continue to retrofit City facilities for accessibility by the disabled.
- Collaborate with various entities in the provision of services for youth, particularly at-risk youth.
- Conduct and promote activities that foster mutual respect, understanding and that protect basic human and civil rights.
- Administer a CDBG/Social Services program that empowers non-profits and promotes community development.

Additional Affordable Housing Assistance Proposed for Fiscal Year 2002

As defined by State law, regional share identifies the need for new housing units by jurisdiction and distributes that need to all income groups. According to data collected by the San Diego Association of Governments (SANDAG), the City of San Diego's affordable housing goal for the FY2001-05 Consolidated Plan reporting period is approximately 7,500 new households to be assisted with affordable housing activities, through all affordable housing resources in the City.

It is estimated that during each of the five fiscal years (FY2001-FY2005) of the Consolidated Plan reporting period, approximately **1,500 additional households** will be assisted with housing services, from all affordable housing resources in the City. It is also estimated that the City's multi-faceted strategies 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, as well as preservation of existing rental units.
- Repair and rehabilitation to correct health and safety problems.

- First-time home buying financial assistance.

Approximately 75 percent of the households assisted are expected to be extremely and very low-income, whose income is 30 percent or less of the Median Area Income.

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 disabled.

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.

Affordable Housing Needs and Priorities

The City of San Diego's housing costs have increased so much more than incomes in recent years that in terms of housing, San Diego continues as one of the least affordable cities in the nation. The 1990 Census indicates that approximately 107,000 low-income households in the City pay over 30% of their income for housing. Nearly 20,000 families are currently on the Commission's waiting list for rental assistance.

Priorities have been established to determine how resources will be allocated among the many in need. San Diego has established priorities for assistance based on several factors: the number of extremely low- and low-income families (including single-person families) paying more than 30 percent of household income for housing costs, the cost of providing affordable rental and home ownership opportunities, and the guidelines for the funding source which are available for the given activity.

High and Medium Priorities have been identified by ranking a variety of household income and housing groups, and the activities which are targeted to those specific populations:

High Priority household and income groups include extremely low (0-30%), very low (31-50%), and low-income (50-80%) Median Area Income Households, who are: renters paying over 30 percent of income for housing or renters with physical housing defects. High priority also includes extremely low (0-30%) and very low-income (31-50%) renters with special needs or homeowners needing housing rehabilitation. Homeownership assistance to households who are earning 31-80 percent of MAI is also a high priority.

Medium Priority household and income groups include low-income (51-80%) Median Area Income Households, who are: renters with special needs or homeowners needing housing rehabilitation. Homeownership assistance to households who are earning 0-30 percent of MAI is also a medium priority.

NOTE: The City's Affordable Housing Needs and Priorities will be re-evaluated when the 2000 Census Information is available.

CONCLUSION

The updated FY2001-FY2005 Consolidated Plan (Attachment 2) will be docketed for City Council deliberation on May 7, and will be submitted to HUD after City Council approval. Following the public comment period and City Council deliberation, staff will, as appropriate, modify the draft document in preparation for submittal to HUD.

The FY2001-FY2005 Consolidated Plan will be deemed approved 45 days after HUD receives the Plan, unless HUD notifies the City that actions are required for the Plan to meet the criteria for approval. With that approval, the Plan will generate approximately \$30.5 million for FY2002 to implement and continue community development efforts throughout the City.

Respectfully submitted by,

Carrol M. Vaughan
Chief of Staff

Attachments:

1. FY2002 Action Plan Summary
2. FY2001-FY2005 Consolidated Plan
3. Consolidated Plan Presentation Schedule (Citizen Participation)

Approved by,

Elizabeth C. Morris
Chief Executive Officer

**Signature on File
With Original Document**

ATTACHMENT 3

Citizen Outreach and Consolidated Plan Presentation Schedule

The goal is to involve citizen participation by providing the opportunity to review and comment upon the priorities, programs and activities described in the draft FY2001-FY2005 Consolidated Plan and then incorporate citizen's comments into the City's final Council approved document to be submitted to HUD on May 15, 2001.

The City provides numerous opportunities for citizen involvement on community development issues, including housing, economic development and social services.

This draft FY2001-FY2005 Consolidated Plan was distributed to all of the City's libraries and mailed to individuals and organizations that had expressed a past interest. The availability and presentation schedule (shown below) was duly noticed in the local newspaper, for a Public Comment period, March 5 through April 5, 2001. Comments received from the public will be summarized in Appendix G, and as appropriate, incorporated into the final City Council approved document submitted to HUD for its review and approval. Public comment will also be solicited at the following community meetings and public hearings, and considered in the finalization of the City's FY2001-FY2005 Consolidated Plan:

March 5 6:30 p.m.	City Heights Area Planning Committee Meeting 4310 Landis Street – Mid-City Community Police Facility
March 12 7:00 p.m.	Southeast San Diego Development Committee Meeting 841 S. 41 st Street – Neighborhood House Association
March 20 5:30 p.m.	San Ysidro Planning & Development Group Meeting 4350 Otay Mesa Road – San Ysidro School District Education Center
March 26 7:00 p.m.	Linda Vista Community Planning Committee Meeting 2160 Ulric Street - Linda Vista Library
March 27 7:00 p.m.	Community Planners Committee Meeting 202 C Street, 12 th floor - City Council Committee Room (525-3602)
April 5 9:00 a.m.	Planning Commission Meeting 202 C Street, 12 th floor - City Council Chambers (236-6596)
April 18 2:00 p.m.	City Council Land Use and Housing Committee Meeting 202 C Street, 12 th floor, (533-4000)
April 20 9:00 a.m.	Housing Commission Meeting 202 C Street, 12 th floor - City Council Committee Room (525-3602)
April 24 9:00 a.m.	City Council Meeting - Testimony on Proposed CDBG Projects/Programs 202 C Street, 12 th floor, (533-4000)
May 7 2:00 p.m.	City Council Meeting 202 C Street, 12 th floor, (533-4000)