



City of Escondido

**Consolidated Annual Performance and Evaluation Report
(CAPER)**

Fiscal Year 2012-2013

DRAFT SEPTEMBER 4, 2013

To Be Submitted September 26, 2013

DRAFT

**City of Escondido
Consolidated Annual Performance and Evaluation Report (CAPER)
Fiscal Year 2012-2013 (July 1, 2012- June 30, 2013)**

Table of Contents

Executive Summary 5

Summary of Resources and Distribution of Funds 6

Housing Resources and Distribution of Funds 7

Table A – Housing Projects..... 13

Investment of Housing Resources..... 15

Community Development Resources and Distribution of Funds 18

Assessment of Annual Progress 22

Affirmatively Furthering Fair Housing 22

Affordable Housing 30

Table 1 – Households and Homeless Persons Assisted with Housing 32

Continuum of Care 34

Programs to Reduce the Number of Poverty Level Households 34

Other Actions in the FY 2010-2011 Action Plan 36

 Public Policy 36

 Institutional Structure 37

 Intergovernmental Cooperation 38

 Public Housing Improvements 39

 Public Housing Resident Initiatives 39

 Lead-Based Paint Hazard Reduction 40

Citizen Comments 41

Monitoring 41

Community Development Priorities 41

CDBG Projects Distribution Map 43

Community Development Activities 45

Anti-displacement and Relocation 55

Program Income 55

Prior Period Adjustments 56

Loans and Other Receivables 56

Assessment of CDBG Accomplishments 57

Assessment of Relationship of HOME Funds to Goals and Objectives 58

**City of Escondido
Consolidated Annual Performance and Evaluation Report (CAPER)
Fiscal Year 2012-2013 (July 1, 2012-June 30, 2013)
Table of Contents (cont.)**

Assessments59
HOME Affirmative Marketing Actions60
Outreach to Minority and Women Owned Businesses.....60
Accomplishment Data for HOME, Redevelopment and CDBG63
HOME Reports.....73
CDBG Reports.....119

DRAFT

Executive Summary

This report summarizes the actions undertaken during FY 2012-2013 in the City of Escondido, toward achieving the goals for the Five-Year Consolidated Plan period (FY 2010-2015). FY 2012-2013 is the third year of the Five-Year Consolidated Plan period.

The Consolidated Plan is implemented through annual action plans that outline specific objectives and projects to meet the priority needs identified. Progress in meeting the established goals and priorities is reported annually in the Consolidated Annual Performance and Evaluation Report (CAPER).

The Consolidated Plan describes the City's application and planning processes for the four formula-based, federal housing and community development grant programs. The programs include Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Shelter Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The City of Escondido directly receives and distributes CDBG and HOME funds. ESG and HOPWA funds are received indirectly through the County of San Diego.

The Consolidated Plan describes the City's vision and strategies for improving the community through the basic goals of the federal grant programs. The three basic goals include:

- Providing a suitable living environment
- Providing decent housing
- Expanding economic opportunities

The Consolidated Plan is comprised of the following sections that address local affordable housing needs, community development needs, and a strategy to help low-income families from becoming more impoverished:

1. Citizen participation
2. An assessment of housing and community development needs
3. A description of the priorities, strategies, objectives and resources for addressing the needs
4. A description of the projects to be funded through the HUD formula programs during the Consolidated Plan period
5. An anti-poverty strategy

The FY 2010-2015 Consolidated Plan established six priorities in the area of housing programs:

1. Increasing Homeownership
2. Conserving the Supply of Existing Ownership Housing
3. Expanding the Supply of Affordable Rental Housing
4. Promoting Neighborhood Stability by Increasing the Length of Stay of Renter Households
5. Increasing the Supply of Well-Designed Multi-Family Units
6. Expanding the Supply of Three- and Four-Bedroom Rental Units

Priorities 3 and 5 have been combined to “Expanding the Supply of Well-Designed, Affordable Rental Housing.”

The Five-Year Consolidated Plan identified six high priority needs in the area of community development:

1. Youth
2. Economic Development
3. Transportation Alternatives for Seniors
4. Neighborhood Revitalization
5. Homelessness and AIDS
6. ADA Improvements to Community Facilities

Escondido’s anti-poverty strategy focuses on encouraging a diverse and healthy economic base through public policy. Policies established in the plan include:

- Continue to support public and privately operated service programs to serve the entire community
- Provide job opportunities for the economically, physically, and socially disadvantaged, when possible and work with other appropriate institutions and agencies that provide these opportunities
- Promote Escondido’s role as the cultural, financial, medical, governmental, commercial and transportation center of San Diego North inland
- Continue to evaluate economic development strategies, for various economic sectors that result in attracting and retaining good to high paying jobs
- Support the rehabilitation of commercial, industrial and infill areas

The City used federal funds in conjunction with several other sources to further affordable housing, meet community development needs, and create economic opportunities, as detailed in this report.

Summary of Resources and Distribution of Funds

The five-year Consolidated Plan proposed to leverage a variety of local financial and human resources to implement projects in accordance with the identified needs and established priorities, including federal CDBG, federal HOME, Capital Improvement Program (CIP), General Fund and state tax increment Housing Set-Aside funds. This CAPER also summarizes these various resources and projects and shows how they related to specific goals. During FY 2012-2013, the following federal funding sources and program income were available to the City:

Source	2012-2013 Allocation	Program Income	Total
HOME	\$406,866	\$251,989	\$658,855
CDBG	\$1,379,868	\$7,500	\$1,387,368
Total	\$1,786,734	\$259,489	\$2,046,223

The following section includes resources made available by source, administering agency or other entity during FY 2012-2013. This includes federal, state, local and private (for-profit and nonprofit) resources or funds provided for affordable and supportive housing activities. The funds are identified as resources received by the City and those received by nonprofits or other entities directly from federal, state, or private funding.

Housing Resources and Distribution of Funds

The City of Escondido has been designated a “participating jurisdiction” (PJ) by the United States Department of Housing and Urban Development (HUD). This entitlement allows the City to automatically receive annual HOME formula allocations directly from HUD, to be used for the provision of affordable housing in the community. Prior to becoming a PJ, the City received three allocations of HOME funds from the State Department of Housing and Community Development through a competitive process. The City continues to report to the State regarding these previous allocations, as required.

A combination of federal funds and other public and private resources provides the City an opportunity to implement various housing programs targeted at low- and moderate-income households. These programs are aimed at providing decent and safe housing by creating suitable environments for residents of low- and moderate-income.

Federal Resources

HOME (HOME Investment Partnership Program)

Community Housing Development Organizations (CHDOs)

In the past, CHDOs have developed a large amount of affordable housing with the help of HOME operating and housing development funds. The City currently works with two active CHDOs: Community HousingWorks (formerly Community Housing of North County), and San Diego Habitat for Humanity (Habitat).

Community HousingWorks completed a 36-unit affordable rental development (Avocado Court) in Escondido during FY 2012-2013. In addition, San Diego Habitat for Humanity is anticipated to develop affordable ownership units in Escondido within the current Consolidated Plan period (2010-2015).

Development Funding

HOME funding is utilized in a wide variety of ways. In addition to project development by CHDOs, such as Habitat and Community HousingWorks, HOME funds are allocated to project proposals by nonprofit and for-profit developers. HOME funding is also allocated to one of the City’s first-time homebuyer programs, the Home Entry Loan Program (HELP), which offers a \$25,000 or five percent of the purchase price loan (whichever is less) for down payment or closing costs to homebuyers earning 80% or less of the median income.

From the City’s FY 2012-2013 total HOME funds allocation of \$406,866, \$312,382 was allocated to the Housing Development fund, most of which was expended on the HELP program and project development. Eight first-time homebuyer HELP loans, for a total of \$99,935, were issued during FY 2012-2013. The total includes Program Income (generated by repaid HELP loans) and recaptured income, utilized toward the financing of the loans.

Section 8 Vouchers

The total number of households served by Section 8 rental assistance in the City of Escondido for FY 2012-2013 was 1,345, with another 4,395 households currently on the waiting list. The San Diego County Housing Authority administers Section 8 rental vouchers for the City of Escondido.

Low-Income Housing Tax Credits

In the past, the City has been successful in assisting many affordable housing developments that have received low-income housing tax credits. The City assisted Community HousingWorks with their tax credit application for Avocado Court. Tax credits were awarded to the project in September 2011, in the amount of \$658,287 annually. Community HousingWorks completed construction of the 36-unit affordable rental development on Broadway and El Norte Parkway and the units opened in February 2013. The project consists of one-, two-, and three-bedroom rental units for families and disabled veterans earning between 25% and 60% AMI (area median income).

Neighborhood Stabilization Program (NSP)

In June of 2009, the City applied for and later received \$1,309,830 in Housing and Economic Recovery Act of 2008 (HERA) funds for Neighborhood Stabilization Program (NSP) activities from the California Department of Housing and Community Development (HCD). These are federal funds passed down from HUD. All NSP funds and activities must benefit individuals or households whose incomes are at or below 120% of the area median income. Permitted activities include:

1. Financing mechanisms
2. Acquisition/Rehabilitation of foreclosed single-family residences
3. Establishing land banks
4. Demolition of acquired, blighted structures
5. Redevelopment of demolished or vacant properties

Initially, the City established a Down Payment Assistance program under the Financing Mechanisms activity to provide up to 5% of the purchase price for down payment or closing cost assistance on the resale of foreclosed homes to qualified low-, moderate- and middle-income households (LMMH) earning at or below 120% of Area Median Income. However, the program was cancelled in March of 2010, with no participants, due to the apparent shortage of eligible properties. Many of the properties submitted were either not fully foreclosed upon (short sales), not vacant, or they contained un-permitted structures or improvements and were therefore ineligible. The funds were thereafter shifted to increase the budget of the Redevelopment activity.

Under the Redevelopment activity, the City initially used the majority of its NSP funds (more than \$1.2 million) to acquire vacant or demolished properties in need of redevelopment in targeted census tracts and neighborhoods. The City acquired four properties addressed as 537 North Elm Street, 1282 North Broadway, 201 South Pine Street/509 West Second Avenue, and 542 West Third Avenue. In September of 2011, the City amended the NSP activities to allow new construction within the Redevelopment activity. Funds initially used for the purchase of 201 South Pine Street, 542 West Third Avenue, and 537 North Elm Street have been recycled. Thirty-six affordable residential units were developed at 1282 North Broadway by a non-profit

developer (Community HousingWorks), and completed during fiscal year 2012-2013. Two additional NSP projects were defined in October 2011. Six additional ownership units at 1750 W Citracado Parkway and 2400 W Valley Parkway, two existing mobilehome parks, were planned for first-time homebuyers. During fiscal year 2012-2013 five new mobilehomes within the two parks were developed and sold. One of the new homeowners earns less than 120% of the area median income (AMI), three earn less than 80% of the AMI, and one earns less than 50% of the AMI.

The remainder of the NSP funds were expended in 2012-2013.

American Recovery and Reinvestment Act (ARRA) Funds

HPRP

In February 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA). ARRA funds included \$1.5 billion for communities to provide financial assistance and services to either prevent individuals and families from becoming homeless or to help those who are experiencing homelessness to be quickly re-housed and stabilized. The funds were distributed through the Department of Housing and Urban Development (HUD) by formula allocation. The City of Escondido received \$709,782 in ARRA funds designated for the Homelessness Prevention and Rapid Re-Housing Program (HPRP).

Funds under the HPRP program are intended to target individuals and families who are recently homeless or who are at-risk for homelessness due to sudden and unexpected job loss or other emergency situation. Eligible program activities include short- or medium-term rental assistance, and housing relocation and stabilization services.

The program requires that 60% of the funds be expended within 2 years and 100% of the funds be expended within 3 years. The City met the first milestone. As of June 30, 2012, the City had spent 98.7% of the funds. A majority of the households assisted were families with children, and most were in danger of becoming homeless due to job loss or a decrease in work hours.

The HPRP funds were received, and the program began, on October 1, 2009. Financial assistance in the form of rent payments is available to those families and individuals who earn at or below 50% of Area Median Income based on family size. The family must be at risk for losing their housing with no other appropriate housing options identified and with no other financial resources or support networks to help them remain in their existing housing. Families are eligible for a maximum of 3 months' rent to a maximum of \$4,500 per family. Funds may also be used to pay rent in arrears up to the \$4,500 maximum.

If every household utilized the maximum \$4,500 in financial assistance, it was anticipated that the program would help approximately 120 families to retain their existing housing. Through the end of FY 2011-2012, a total of \$700,688 had been expended on the program, including financial assistance, housing relocation and stabilization services and administration. During this period, 248 households (consisting of 788 individuals) have been helped with rental assistance and case management services, all through the Homelessness Prevention portion of the program. In FY 12-13 the remainder of the HPRP program funds were expended with final invoices of approximately \$4,000 for administrative costs, including personnel, data collection and operating expenses.

Other Resources

Redevelopment Set-Aside Funds

The Redevelopment 20% tax increment Set-Aside Funds have been Escondido's most significant local resource for housing development, rehabilitation, acquisition, tenant assistance, new construction, homebuyer assistance, and support services in the City's redevelopment project area for many years. When the State of California dissolved the City of Escondido Redevelopment Agency in January 2012 after 27 years, a significant amount of funding for affordable housing was lost. The City no longer receives any new tax increment funds.

In recent years funds were allocated for affordable housing opportunities such as mobilehome and apartment rental subsidy programs for seniors and those with disabilities, a first-time homebuyer program for moderate-income households, administration of mortgage credit certificates, rehabilitation of owner-occupied single-family homes and mobilehomes for low-income households, and the acquisition of property and the pre-development of several affordable housing redevelopment projects. Past and future set-aside allocations were often leveraged with HOME and other funds to assist in the development of new and rehabilitated affordable housing, and assist in the future affordability of existing affordable projects and promoting re-investment of funds by management and owners.

The Redevelopment Agency was dissolved in January 2012, but no longer existed after June 2011. The City elected to retain the housing assets and functions previously performed by the RDA, retaining the rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency, as the Successor Housing Agency. Although the Housing Successor Agency will be able to use any repayments of loans made with Redevelopment Set-Aside funds, the City will no longer receive any new tax increment funds. Prior to FY 2012-2013 the City had to suspend the program for rehabilitation of owner-occupied mobilehomes and single-family residences, and the first-time homebuyer program for moderate income households due to lack of funding. The City also severely reduced the income qualifications and outreach for the rental subsidy programs. The city's ability to fund future affordable housing developments and programs is anticipated to be severely reduced.

Private Funding

Bank Mortgages

Private financing coming from banks and other financial institutions represents a significant contribution to the City's total housing program funding resources. These private funds were used to leverage mobilehome park conversions, first-time homebuyer loans, acquisition, rehabilitation and new construction programs.

Leveraging

The City of Escondido will continue to prioritize leveraging of federal funds with use of local, public and private funding sources. The City continues to seek available funding resources. In the past federal HOME funds that have been allocated for developing affordable housing programs have been leveraged with local resources such as the 20% Set-Aside Redevelopment Funds, Low-Income Housing Tax Credits, and private mortgages. Although new set-aside redevelopment funds are no longer available, leveraging will continue to be a priority for investment of available funds in the future and satisfies the match requirement of the HOME program. See Table A on the next page for leveraged amounts for FY 2012-2013.

DRAFT

INSERT HOUSING TABLE A

DRAFT

Subsidy Layering

It is the practice of the City of Escondido to leverage its housing funds when approving allocations to affordable housing projects. Prior to seeking funding approval, an evaluation of overall project development costs is conducted on a per-unit basis to determine that the investment of funds into the project, in combination with other governmental assistance, is no more than necessary to complete the affordable housing project. Costs must be necessary and consistent with the lowest reasonable cost. The City follows the Community Planning and Development guidelines published by HUD as CPD Notice 98-01 to facilitate this process.

Additionally, an allocation of Federal HOME Program funds further requires that the maximum per-unit subsidy may not exceed the per-unit dollar limits established under section 221(d) of the National Housing Act (24 CFR Part 92 Section 92.250).

Financial and subsidy layering analysis of each project is performed by staff prior to recommendation to City Council. When evaluating more complex projects, the City may retain the services of an independent financial consultant to better ensure that the project costs are comparable to similar for-profit as well as non-profit affordable housing developments in the region.

Investment of Housing Resources

This section explains how resources were invested during the annual reporting period for FY 2012-2013, and summarizes the investments as related to the priorities outlined in the 2010-2015 Consolidated Plan. For a summary of annual expenditures on housing programs as they relate to the priorities of the Consolidated Plan, refer to the HOME Accomplishment Data Table, the Redevelopment Accomplishment Data Table, and the NSP Accomplishment Data Table, beginning on page 63. After three years, the city appears able to meet most, if not all of the 2010-2015 Consolidated Plan housing objectives.

Priority #1: Increase ownership opportunities

Increasing the rate of homeownership for low-income households in the City is the first priority in the 2010-2015 Consolidated Plan. Increasing home-ownership can be achieved through the Mortgage Credit Certificate (MCC) Program and the Homebuyer Entry Loan Program (HELP), which both assist first-time homebuyers in the purchase of their homes. Additionally, low-income households are able to become homebuyers through ownership of newly developed houses, housing cooperatives and condominiums. It is anticipated that nonprofit housing developers would be the most likely sponsors for new and rehabilitated affordable ownership developments.

During the annual reporting period, FY 2012-2013, five households received Mortgage Credit Certificates (MCCs) from the San Diego County Regional Program. One of the households that received an MCC earned eighty percent or less of the San Diego Area Median Income and one earned less than 100% of the San Diego Area Median Income. The other three earned between 100%-120% of AMI. It is anticipated that a total of 15 MCCs will be issued in the five-year reporting period. Funding the Mortgage Credit Certificate Program requires no financial resources other than administration costs, which have previously been paid with Redevelopment Set-Aside funds, and now are funded with loan repayments. New homeowners receive a tax credit when paying their taxes.

During the annual reporting period, FY 2012-2013, 8 HELP loans were issued. It is anticipated that a total of 75 first-time homebuyer loans will be issued in the 2010-2015 reporting period (15 per year). Funding of the Homebuyer Entry Loan Program (HELP) comes from HOME Funds and the program offers loans of \$25,000 or five percent of the purchase price (whichever is less) to first-time homebuyers earning 80% or less of the median income to purchase their first home.

The City anticipates participating in the provision of 10 new ownership units within the five-year Consolidated Plan period, furthering the goal of increasing homeownership opportunities. During the 2012-2013 fiscal year, five new ownership units, consisting of new mobilehomes on spaces within two existing mobilehome parks, were developed and sold. One of the new homeowners earns less than 120% of the area median income (AMI), three earn less than 80% of the AMI, and one earns less than 50% of the AMI.

Priority # 2: Conserve the supply of existing ownership housing

The second priority for the 2010-2015 period is to conserve the supply of existing ownership housing. The primary programmatic measure for maintaining the existing ownership housing is the provision of direct assistance to existing owner households for needed rehabilitation. A priority was given to assisting low and moderate income households and low-income elderly households.

During FY 2010-2011, the City funded 22 rehabilitation loans. During FY 2011-2012, the City funded 15 rehabilitation loans, for a total of 37 loans in two years. The City established a goal of 110 rehabilitation loans issued during the 2010-2015 Consolidated Plan period. The Rehabilitation program was a citywide program serving moderate, low or extremely low income individuals or families, administered by the City and funded from Redevelopment Set-Aside Funds. Many of the loans funded were to seniors and some were to persons with a disability. The most common rehabilitation items were hot water heaters, roofs, floors, termite damage repair, painting, showers/toilets, stoves/cooktops, and steps in mobilehomes.

The Owner-Occupied Rehabilitation Loan program was discontinued after FY 11-12 due to lack of funding.

In addition to the City providing assistance directly to homeowners, assistance is also available to nonprofit and/or for-profit entities for the purchase and rehabilitation of existing units for affordable housing, to meet this priority. No rehabilitation ownership projects were completed in 2012-2013.

Priority # 3: Expand the stock of well-designed, affordable rental housing

The most appropriate investment strategies for expanding the supply of permanent, affordable rental housing include subsidized construction of new rental units, and subsidized acquisition and/or rehabilitation of existing rental units. The objectives include assisting low-income elderly households, families, households earning less than 80% of the median income, and overcrowded and cost-burdened households.

Subsidized rehabilitation or new construction of multi-family complexes for cooperative ownership or for rent to low-income households is an appropriate strategy toward providing well-designed, affordable multi-family housing. It is anticipated that nonprofit housing developers would be the most likely sponsors for new and rehabilitated affordable developments to address this priority. The City can assist in project development either in conjunction with acquisition and preservation of existing units or the new construction of affordable units. The City has

focused on acquisition and preservation of units, and supporting construction of new housing for homeownership and rental units for extremely low- and low-income residents on infill sites.

During the 2012-2013 reporting period Avocado Court, a 36-unit affordable rental project, was completed by Community HousingWorks. The project offers 1-, 2- and 3-bedroom units affordable to families earning 60% and below the San Diego Area Median Income, including disabled veterans.

Avocado Court includes many amenities specifically designed to increase the attractiveness of the project to residents, especially to families. The amenities include a community center with a kitchen and computer lab, outdoor play areas with BBQs and picnic tables, a community garden and cutting edge green technology. The most significant green amenity is the shallow, air-driven geo power system which cools and heats the community building. It is the first of its kind in the United States.

The five-year goal for the 2010-2015 reporting period is the provision of 115 affordable rental units.

Priority # 4: Promote neighborhood stability by increasing the length of stay in rental housing

Promoting length and tenure of renter households was designated as a high priority in the Consolidated Plan. Local housing experts and providers report a critical shortage of decent and affordable rental housing for seniors on a fixed income. Assisting senior renters with rental subsidies will result in a lower rate of turnover.

The City offers two rental subsidy programs (the Mobilehome Rental Subsidy Program and the Apartment Rental Subsidy Program) for seniors and persons with disabilities, to facilitate stabilizing neighborhoods. Both the Apartment Rental and Mobilehome Rental Subsidy programs have served households earning 50% or less of the median income, while on the waiting list for Section 8 Assistance. Both programs had been funded using Redevelopment Set-Aside Funds. At the height of the program, 295 households were being assisted.

When the Redevelopment Agency was dissolved in January 2012, the loss of funding threatened the subsidy program for the remainder of the 2011-2012 fiscal year and afterward. The City looked for ways to continue funding this important program. By lowering the maximum income and re-qualifying participants, the program was able to be continued for those with incomes less than 30% AMI for the fourth quarter of FY 11-12 and the entire FY 12-13. Funding is from repayments of set-aside loans to the City as Successor Housing Agency. During the 2012-2013 reporting period, the City assisted 63 senior households living in senior apartments and over 53 senior households living in mobilehomes with rental subsidies, for a total of 116.

The five-year Consolidated Plan goal is to assist 295 elderly and low-income persons/households with rental subsidies each year. In addition to 116 households assisted with rental subsidies in FY 2012-2013, a total of 1,345 Escondido households were assisted through Section 8 rental subsidies, for a total of 1,461 rental subsidies. The number of Section 8 subsidies granted is limited to the number able to be processed by the San Diego County Housing Authority, where the program is administered. There is currently a waiting list of several years for the Section 8 vouchers, and 4,395 Escondido residents are currently on the waiting list.

Priority # 5: Expand the supply of three- and four- bedroom units

Large, low-income, renter households were designated a high priority for assistance during the five-year Consolidated Plan period due to a severe increase in overcrowded and cost burdened households. Local housing experts and providers have reported a critical shortage of decent rental housing that is secure and well-designed for family use.

There were 12 new three-bedroom, affordable rental units completed during the current (2012-2013) fiscal year as part of the Avocado Court residential project by Community HousingWorks. It is anticipated that the San Diego Habitat for Humanity project to be developed within the 2010-2015 Consolidated Plan period will include three- and four-bedroom units. Seventeen new three- and four-bedroom units were completed during the two previous Consolidated Plan years. The five-year goal is 20 new, affordable three- and four-bedroom units.

The following section includes resources made available by source, administering agency or other entity during FY 2012-2013. This includes federal, state, local and private (for-profit and nonprofit) resources or funds provided for community development activities. The funds are identified as resources received by the City and those received by nonprofits or other entities directly from federal, state, or private funding.

Community Development Resources and Distribution of Funds

During FY 2012-2013, the City of Escondido actively engaged local and regional resources to support activities which addressed the community development priorities specified in the Five-Year Consolidated Plan:

- Priority #1: Increase quality-of-life opportunities for Mission Park area youth and families by improving their social and physical environment
- Priority #2: Provide economic development opportunities for Mission Park area residents
- Priority #3: Explore and develop coordinated, low-cost, flexible transportation alternatives for seniors;
- Priority #4 Identify and improve low-income neighborhood areas appropriate for revitalization through direct citizen involvement;
- Priority #5 Support comprehensive integrated service systems to transition local homeless families and individuals, as well as persons with AIDS, to permanent or residential housing and self-sufficiency;
- Priority #6 Continue to utilize CDBG and general fund resources, as they become available, to address the public facility needs identified in the City's ADA Transition Plan.

Federal Resources

The City of Escondido utilized several HUD programs to help achieve the community development priorities identified in the City's One-Year Action Plan. These programs provided full or partial funding to the City and/or were directly received by local non-profit agencies for a

variety of projects. Community Development Block Grant (CDBG), Supportive Housing Program (SHP), Shelter Plus Care, Emergency Shelter Grant (ESG) funds and Housing Opportunities for Persons with AIDS (HOPWA) were used to address the community development priorities, achieve a continuum of care to address the priorities for the homeless and special needs populations and address neighborhood revitalization.

Community Development Block Grants (CDBG)

In FY 2012-2013 the City was allocated \$1,379,868 in CDBG funds. The City expended \$1,913,255 in FY 2012-2013, which included funds carried over on select projects prior year CDBG allocations. The City's CDBG funds were expended solely for projects that addressed the Five-Year Consolidated Plan's community development priorities and objectives.

Funding Sources Indirectly Received by the City of Escondido

Supportive Housing Program (SHP) Funds

SHP funds provide transitional housing and support services for homeless families and a variety of special populations, including homeless persons with alcohol and drug problems, women and their children fleeing domestic violence, chronically mentally ill homeless individuals and homeless veterans. SHP funds are a critical source of funding for Escondido's Continuum of Care.

During FY 2012-2013, Interfaith Community Services received over \$600,000 to provide transitional housing and support services for homeless individuals, including those with alcohol, drug and/or mental health problems, homeless veterans and homeless families with children.

Shelter Plus Care

These funds provide permanent housing and support services for homeless individuals who are disabled, mentally ill and/or substance abusers. During FY 2012-2013, Interfaith Community Services received \$197,154 for a one-year renewed sponsor based contract. The San Diego County Department of Housing and Community Development partners with Mental Health Systems annually to renew the Shelter Plus Care Tenant Based Program which provides permanent housing to individuals and families receiving supportive services.

Emergency Shelter Grant (ESG) Funds

Emergency Shelter Grant (ESG) funds are also not directly received by the City of Escondido; however, local eligible agencies receive ESG funds through the County of San Diego. ESG funds sponsor women's and children's programs and shelter programs for single individuals and families. During FY 2012-2013, Interfaith Community Services received \$46,745 in ESG funds. North County Serenity House, located in the City of Escondido, and the Ecumenical Council, operating emergency shelter programs in the North County region, also received ESG funds in FY 2012-2013.

American Recovery and Reinvestment Act (ARRA) Funds

CDBG-R

The ARRA funds approved by the President in 2009 included \$1 billion in special CDBG funds to states and local governments to carry out eligible activities under the CDBG program. The funds were distributed through the Department of Housing and Urban Development (HUD) by formula allocation. The City of Escondido received \$464,210 in Community Development Block Grant Recovery (CDBG-R) funds.

The City of Escondido's CDBG-R funds were allocated to the Elm to Hickory Street Lighting project, which provided much needed street lights in a low-income neighborhood, enhancing security for residents and public safety officers. The project created nine construction jobs and was completed in July 2010 at a cost of approximately \$240,000. In addition to increasing property values in the neighborhood, residents will gain an enhanced sense of pride and ownership in their neighborhood. The remaining balance of CDBG-R funds were allocated by City Council on September 1, 2010 to phase three of the Tulip Street Improvement Project. Funds were used to install sidewalks, street lights, concrete curbs and gutters and other related infrastructure (water lines, sewer lines and storm drains). This improvement project is a part of a comprehensive neighborhood redevelopment program which is alleviating blight and halting deterioration in the City's west side. Four jobs were created as part of this project.

Housing Opportunities for Persons with AIDS (HOPWA)

HOPWA funds are not directly received by the City of Escondido; however, local eligible agencies receive HOPWA funds directly from the San Diego County Department of Housing and Community Development. HOPWA funds provide housing assistance for people living with HIV/AIDS. Agencies administering HOPWA subsidies also provide supportive services to subsidy recipients such as transportation, emergency food, legal assistance, benefits counseling and support groups.

Federal Emergency Management Agency (FEMA) Emergency Food and Shelter Program (EFSP) Funds

A variety of Escondido agencies participate in the EFSP program which provides funding assistance for rent and mortgage, emergency food and group shelter and hotel/motel vouchers for homeless families. In combination with other HUD monies and private donations, EFSP funds were used to address the City's priority homeless needs. For FY 2012-2013, Interfaith Community Services received approximately \$55,000 in EFSP funds to support these services. In addition, the Regional Winter Shelter Program received group shelter funding from this source.

Department of Labor

Workplace Investment Act (WIA) programs and the Homeless Veterans Reintegration Program (HVRP) are also active within Escondido. In FY 2012-2013, Interfaith Community Services operated a variety of programs for veterans, providing supportive services, case management, counseling and employment services. Interfaith has received over \$815,000 for WIA programs for veterans over the past 3 years. This includes a WIA grant for Recently Separated Veterans in the amount of \$1,000,000 and an HVRP grant in the amount of \$900,000.

In addition, North County Inland Career Center (NCICC) received approximately \$980,000 in WIA funding grants to continue to operate its one-stop shop consolidated career center which offered a variety of services for the unemployed and for those at risk. Escondido Education

COMPACT received \$488,480 in WIA funding for similar services for youth ages 14 to 21 in Escondido. Additionally COMPACT received over \$150,000 in WIA funding to provide a 2013 Summer Youth Employment Program in Escondido and neighboring North County cities. The programs also leveraged a variety of federal, state, and local resources.

Department of Health and Human Services

Department of Health and Human Services (HHS) funds essential programs for mothers and children, including domestic violence programs. During FY 2012-2013, a variety of programs were operated by Neighborhood Healthcare in Escondido including medical, dental, behavioral health, HIV outreach, education and treatment for the uninsured.

Department of Veterans Affairs (VA)

The VA funds essential housing and supportive services for homeless and non-homeless veterans in Escondido. In FY 2012-2013, Vietnam Veterans of San Diego (VVSD) provided mental health, alcohol/drug treatment and job training services for homeless veterans. In addition, Interfaith Community Services provided transitional housing and Redwood Elderlink provided Adult Day Health Care to veterans.

Other Resources

County of San Diego

In FY 2012-2013, the county supported a wide range of services in Escondido that contributed to achieving the Consolidated Plan's community development objectives. The San Diego County Aging and Independence Services division supported nutrition and transportation services for older adults in Escondido, and county funds provided mental health counseling and treatment, residential and non-residential alcohol/drug recovery services, juvenile diversion, child abuse prevention and public health services in Escondido.

During FY 2012-2013, Palomar Family Counseling (PFC) received funds from County of San Diego Children's Mental Health (CMH) Services to provide on-site counseling and family outreach services at the Escondido Union High School District's various venues. In addition, PFC received funds from CMH to provide a program of individual and group counseling and case management for preschool age children and their parents. PFC also received funds from the County's Health and Human Services Agency – School Age Services for a North County Prevention and Early Intervention program (NCPEI) for elementary age school children and their families at Rose and Pioneer elementary schools.

Neighborhood Healthcare received funding from the First 5 Commission of San Diego that partially provided for services of a part-time pediatric dentist, care coordination for high-risk children 0-5 years of age and prenatal women, and a treatment fund for uninsured children and prenatal women. This funding originates from the State and goes to the County.

CalFresh Outreach Program, previously the Food Stamp program, provided outreach, application assistance and general support to applicants in an effort to improve access to Cal Fresh benefits. This funding originated from Federal programming.

The Low Income Health Program (LIHP) is no cost insurance for adults between the ages of 19 -64 years of age who are not eligible for Medi-Cal and meet established financial guidelines. A majority are those with chronic conditions such as diabetes and/or hypertension. The program

paid for office visits to a primary care provider, case management, care coordination, nutrition/diabetes education classes, prescription medicines and dental services. County funding provided for outreach, application assistance, enrollment, retention and utilization activities. This funding originated from State/Federal matching funds.

Funds from First 5 Commission of San Diego were used to assist with enrolling children, 0-5 years old and pregnant women in a public health insurance program such as Healthy Families, Medi-Cal, AIM, California Kids, Kaiser Child Health Plan, helping them maintain coverage, and instructing them on appropriate use of covered services. This funding originated from the State.

State of California

The State of California supports numerous programs within Escondido that support the Consolidated Plan priorities, providing funds from the Department of Education's Child Development Division to support childcare facilities and subsidize tuition for low-income families in Escondido.

In FY 2012-2013, the Escondido Community Child Development Center (ECCDC) received Department of Education funds totaling \$2,849,091 and operated three licensed subsidized child care facilities. The Agency is fully subsidized to serve 67 infants, 146 toddlers, and 190 preschool age children for a total of 403 children daily. Children were offered two main meals and two snacks each day: ECCDC serves over 300,000 meals per year subsidized by the California Adult and Child Food Program (CACFP).

The State received Federal funds which are matched to provide Neighborhood Healthcare reimbursement for services provided for Medi-Cal, Denti-Cal and FPACT (Family Planning, Access, Care, Treatment).

Redwood Elderlink received Department of Education funds for enhanced meal and nutrition programs offered to seniors and disabled adults. Redwood Elderlink also received funding from the State of California (via the County of San Diego Aging and Independence Services Division) to provide specialized Alzheimer's care and supportive services to families.

United Way

United Way supports achievement of the Consolidated Plan priorities in two important ways: by providing grant funds for specific projects and by partially funding the general operating expenses of non-profit health and human service providers in Escondido. A wide range of services are provided with United Way funding which contribute to creating Escondido's comprehensive service systems for special populations and the continuum of care for the homeless.

Easter Seals

Easter Seals operates in Escondido, providing services to people with autism and other disabilities through their Adult Services and Child Development Centers in Escondido.

Private Foundations and Funds

The City worked with and funded local non-profit agencies which actively sought private foundation funding to help achieve the community development priorities of the Consolidated Plan. Several private sources supported Escondido's community development efforts in FY 2011-2012.

Leveraging

The City of Escondido’s policy is to use its CDBG and general funds to leverage additional private and public resources to address the Consolidated Plan priorities. The City encourages partnerships and collaborative efforts with private enterprises, neighborhood groups and non-profit agencies. The City encourages shared funding arrangements with agencies requesting CDBG funding, evaluating CDBG subrecipients, in part, on their leveraging and contribution of other resources.

DRAFT

Assessment of Annual Progress

Affirmatively Furthering Fair Housing

The City of Escondido has made a strong commitment to the provision of fair housing in its community. The goal of the City's Fair Housing Program is to affirmatively further fair housing through specific educational, outreach and monitoring activities.

During FY 2012-2013, the City contracted with North County Lifeline to provide comprehensive fair housing services. The contract for fair housing services includes landlord/tenant counseling which is administered by full-time bilingual counselors/mediators who are available by telephone on a daily basis. In addition, the contractor provides information and assistance, mediates disputes, educates property owners and managers, and assists them to comply with fair housing regulations. Information on fair housing is available in English and Spanish at the City Housing counter and staff makes referrals to North County Lifeline.

The City completed an Analysis of Impediments (AI) to Fair Housing in 1996 and participated in the completion of Regional AIs in 2000, 2004, and 2010. The 2010 Regional AI was submitted to and accepted by HUD in 2011. All four AIs identify potential impediments to fair housing or related issues and offer actions to address them. The majority of impediments identified in the AIs 1996-2004 have been addressed, while some include ongoing actions and are updated and included in the 2010 AI. On the following pages is the Fair Housing Action Plan 2010-2015, a summary of the AI, including corresponding completion and adoption dates, identified potential impediments or issues, and related actions that were completed or are still yet to be completed, both in Escondido and regionally. In the next fiscal year and throughout the five-year Consolidated Plan period, the City will address impediments to fair housing regionally and in Escondido as identified in the 2010 AI, and implement any solutions, programs and policies necessary.

The Fair Housing Resource Board (FHRB), a group made up of staff from local jurisdictions participating in the regional AI, has met several times to discuss potential collaborative actions to be taken when the AI is completed. The Board will continue to meet quarterly to discuss regional fair housing issues and strategize how to address the regional impediments.

DRAFT

Insert AI Table (5 pages)

DRAFT

DRAFT

DRAFT

DRAFT

DRAFT

DRAFT

Affordable Housing

The “Households and Homeless Persons Assisted with Housing” Table 1 on page 33 is supported by a discussion of the following items:

- Actual accomplishments in assisting low-income households/persons in relationship to established Consolidated Plan goals.
- Assistance provided to specific racial and ethnic groups.

The table includes the number of households and persons (including homeless persons and non-homeless persons with special needs) earning less than 95% of median family income (MFI) who received assistance during the reporting period for each of the categories indicated on the table through the investment of funds made available within the City.

During FY 2012-2013 reporting period, both renter and owner households were assisted with housing in the City of Escondido, either by the City or an outside agency. The total number of renters assisted was 1,463. Of these households, 1,189 had household incomes between 0 to 30% of the MFI, 235 had household incomes between 31 to 50%, 36 had household incomes between 51 to 80%, and 3 had household incomes of between 80 and 95% of MFI.

The total number of homeowners assisted during the reporting period was 13. Of this amount, 12 were homeowners with household income between 51 to 80% of the MFI and one had a household income of between 31 to 50% MFI. A total of 143 homeless individuals were assisted directly.

The racial/ethnic composition of the households/homeless persons assisted in Escondido during the reporting period was as follows: Non-Hispanic White: ; Hispanic: 17; Black: 3; Native American: X; Asian Pacific Islander: X; and other: X.

For the purpose of identification of goals and reporting of accomplishments, an assisted household (or person) is one that, during the reporting period, received benefits through the investment of federal funds, either alone or in conjunction with the investment of other public or private funds. A renter is benefited if the household or person takes occupancy of affordable housing that is newly acquired (standard housing), newly rehabilitated, or newly constructed, and/or receives rental assistance. An existing homeowner is benefited during the year if the home's rehabilitation is completed. A first-time homebuyer is benefited if a home is purchased during the year. A homeless person is benefited if the person becomes the occupant of transitional or permanent housing. A non-homeless person with special needs is considered as being benefited, however, only if the provision of supportive services is linked to the acquisition, rehabilitation, or new construction of a housing unit and/or the provision of rental assistance during the year. Households or persons who will benefit from more than one program (e.g., a renter who receives rental assistance while occupying newly rehabilitated housing) must be counted only once. To be included in the goals, the household's housing unit must, at a minimum, satisfy the HUD Section 8 Housing Quality Standards (see e.g., 24 CFR Section 882.109).

Documentation of Assistance Provided

Documentation of assistance provided to each household (or person) is maintained by the City or other entities providing the assistance. The public is provided with reasonable access to these records, subject to state and local laws regarding privacy and obligations of confidentiality, during the Consolidated Plan Annual Performance Report public comment period. In addition, these records are made available for inspection by the Department of Housing and Urban Development (HUD) at the Department's request.

The information contained in the project record includes:

- Address of the property.
- Number of residential dwelling units occupied by assisted households.
- The type of assistance provided.
- The program funding source(s) and amount(s) of federal assistance provided.
- The income category:
 - 0 to 30% of Median Family Income (MFI),
 - 31 to 50% of MFI,
 - 51 to 80% of MFI, or
 - 81 to 95% of MFI
- The head of household's racial/ethnic group identification

INSERT APR TABLE 1

DRAFT

DRAFT

Continuum of Care

The City of Escondido's Continuum of Care strategy addresses the needs of homeless and non-homeless special needs populations. The strategy is composed of activities to address emergency and transitional housing, persons at-risk of becoming homeless, persons in transition from homelessness to permanent housing and persons in permanent housing to transition from renting to homeownership.

The Supportive Housing Program (SHP), as reported in the Community Development Resources and Distribution of Funds section beginning on page 18, is a critical source of funding for Escondido's Continuum of Care. SHP funds provide transitional housing and support services for homeless families and a variety of special needs populations, including homeless persons with alcohol and drug problems, women and their children fleeing domestic violence, chronically mentally ill homeless individuals and homeless veterans. Other important programs include: Shelter Plus Care, which provides permanent housing and support services for individuals who are disabled and homeless; Emergency Shelter Grant (ESG) funds, which sponsor shelters for single individuals and families; Housing Opportunities for Persons with AIDS (HOPWA), which supports homeless persons and those at-risk for homelessness who are living with AIDS; and Mental Health Services Act, which provides supportive housing for mentally ill persons leaving institutional care. Funding for these programs is provided by the San Diego County Housing Authority.

During FY 2012-2013, the third year of the Five-Year Consolidated Plan period, \$33,300 in CDBG funds were expended and a total of 143 homeless individuals were directly assisted with City-supported programs.

Programs to Reduce the Number of Poverty-level Households

Economic Development Master Plan and Comprehensive Economic Development Strategy (CEDS)

The City of Escondido Comprehensive Economic Development Strategy (CEDS), a plan that includes strategies for business attraction, retention and expansion, as well as workforce development and other efforts to raise the City's median income and reduce poverty, was approved by Council in 2012. An Economic Development Task Force was created made up of city staff and private sector stakeholders to carry out CEDS activities. Additionally, city staff began collaborative efforts with other North County cities' economic development staff, including Carlsbad, Vista, Oceanside and San Marcos.

The Escondido Workforce Roundtable, which includes stakeholders from government, education, business and workforce development, continued its efforts with a shifted focus on meeting employers' needs given the improved economic climate. The goal of the Roundtable is twofold: to tie education (K-12, adult education, colleges and universities) with preparing youth and adults with relevant training and skills that will allow them to find well-paying jobs and to address employers' needs in filling their staff needs with well-educated, well trained employees.

Small Business Resources

The City refers small businesses to the Small Business Development Center (SBDC) at Mira Costa College for training in the areas of financing, marketing, business planning and other

topics relevant to entrepreneurs. The SBDC conducts dozens of small business seminars each year. Business consultants from the SBDC offer free and low-cost 1:1 counseling to small businesses and can be contacted directly at the SBDC office in Oceanside.

Business Enhancement Zone

Established in February 2000 and modified in 2006, the Escondido Business Enhancement Zone (BEZ) has been an economic development tool that has helped a number of businesses establish or expand in Escondido. Development activities have picked up significantly in the last year, and new or expanding projects include the Westfield North County regional mall expansion, the new Palomar West hospital, multi-family housing projects that had been stalled and other private investment. BEZ incentives are available to all commercial-use properties in Escondido, provided they meet the public benefit criteria. Incentives are granted on a case-by-case basis. City Council approved funding the Façade and Property Improvement Program which provides matching grants for business properties within the BEZ that make exterior improvements. Approx. \$75,000 in matching grants has been awarded since it was resurrected in March 2012.

Permit Processing Fee Incentives for Targeted Commercial Areas

The City of Escondido has a long-time policy that provides fee waivers of up to \$500 for minor processing of applications and permits, in targeted commercial areas. This incentive allows small business owners in three targeted revitalization areas to process minor expansion and encroachment permits, and to receive permits for new signs, awnings, and façade improvements without the burden of City fees. Many of the business owners are in the low- and moderate-income level and operate their own businesses with a minimal number of employees.

Recycling Market Development Zone

The Recycling Market Development Zone (RMDZ) provides incentives and loans to encourage new "added-value" recycling businesses to locate in Escondido.

Section 3

As required by Section 3 of the Housing and Urban Development Act of 1968 (Section 3), and as amended by Section 915 of the Housing and Community Development Act of 1992, the City will ensure that economic opportunities generated by HUD financial assistance for housing and community development (such as HOME and CDBG funding) will be targeted to low- and very low- income individuals. Pursuant to Section 3, economic opportunities will include, but are not limited to, job training, employment, contracting, and subcontracting, and will be monitored and documented in the Annual Performance Report for the upcoming fiscal year.

Childcare Programs

Escondido Community Child Development Center has three licensed facilities with 105 employees. The Agency is fully subsidized to serve 50 infants, 101 toddlers, and 223 preschool age children for a total of 374 children daily. Children are offered two main meals and two snacks each day: ECCDC serves over 300,000 meals per year subsidized by the California Adult and Child Food Program (CACFP).

Additionally, the Oak Hill Childcare Facility and street improvements project, completed in the beginning of FY 2013-2014 has expand childcare resources in Escondido and is facilitated by North County Community Services, leveraging State of California grant funding.

Recreation and After-School Programs for Low-Income Youth

During FY 2012-2013, the City used State of California After School Education and Safety (ASES) funding through a contract with the school district to provide after-school care at several elementary schools in low-income census tracts. The City continues to encourage the provision of expanded recreation services at schools located in targeted geographic areas.

Other Actions in the FY 2012-2013 Action Plan

Public Policy and Barriers to Affordable Housing

In Escondido one of the greatest barriers to affordable housing continues to be cost. Thus, the city's housing programs are focused on providing assistance to low-income homebuyers and renters. Other barriers in Escondido include governmental constraints, land and construction costs, market conditions, and lack of funding sources. Over the years the City has implemented policies that facilitate the development of affordable housing by removing certain governmental constraints.

The 2013-2020 update of the Housing Element was certified in September 2012, when it was found in compliance by the State Department of Housing and Community Development (HCD), in conjunction with the update of the General Plan. Amendments to the Zoning Code and other actions have begun and will continue to be coordinated by the City through the Consolidated Plan period to address obstacles to providing affordable housing identified in the Housing Element and the Regional Assessment of Impediments, including compliance with State law. These include changes to emergency shelters, transitional/supportive housing, senior housing and density bonus requirements.

With the loss of Redevelopment funding the City lost a major source of affordable housing funding. The city continues to actively seek alternative funding sources when possible. The City supports other programs that provide construction assistance and services for affordable housing. The City also encourages the participation of other agencies in the development of affordable housing programs and social services aimed at reducing the number of households with incomes below the poverty line.

In order to remove barriers to affordable housing, City staff continues to monitor and review planning and housing policies and ordinances for impacts on the ability of developers to produce affordable housing units. The purpose of this review is to reduce governmental constraints on the production and preservation of housing for very low-income and low-income households.

Actions undertaken to remove or reduce negative effects of public policies affecting the cost of housing or the incentives to develop, maintain, or improve affordable housing in the City of Escondido include the actions undertaken to address negative effects of public policies. Each of these actions serves to create affordable housing in the community.

Institutional Structure

The City of Escondido Neighborhood Services and Housing Divisions serve as the lead agency in the administration of HOME and CDBG programs funded under the Consolidated Plan. There have been numerous interagency and interdepartmental efforts to improve the delivery of affordable housing and community development services. During FY 2012-2013 the Neighborhood Services Division was relocated under the Public Works Department to better serve the public. Similarly, the Housing Division was relocated to the Community Development Department. Housing and/or Neighborhood Services staff continues to participate in interdepartmental meetings where projects, policies and procedures are reviewed when a related project is discussed to ensure that efforts between staff, developers and the community are coordinated. The City has not recently identified any organizational weaknesses that require remedial action.

Intergovernmental Cooperation

Staff of the Housing Division and Neighborhood Services Division work with federal, state and county agencies in obtaining funding and providing services related to affordable housing and community development.

Since 1995, cooperation among local jurisdictions has resulted in the formation of a countywide, consolidated application under the HUD Notices of Funding Availability for Supportive Housing and Shelter Plus Care Programs for each year. The cities of Escondido, Oceanside, Vista and Carlsbad, located in northern San Diego County, joined the Housing and Community Development Department of the County of San Diego, East County and South Bay cities, and a variety of nonprofit agencies to create a strategy for a continuum of care for homeless individuals and families. Danielle- Is this true??

The City of Escondido also actively pursued opportunities to coordinate with other jurisdictions. The City participated in various regional Task Forces related to seniors, the homeless, the disabled and welfare-to-work (low-income) residents, as well as the Escondido Workforce Roundtable related to workforce and economic development. The City also participated in a countywide CDBG administrators' group that met quarterly to discuss common concerns and to share information. Through the CDBG administrators' group, local jurisdictions were able to maximize technical assistance received from HUD. The group, in turn, offers joint training and technical assistance, and monitoring to local subrecipients. During FY 2012-2013, the group met several times to exchange information and discuss technical information.

The City of Escondido also participates in the regional Fair Housing Resource Board (FHRB), a group made up of staff from local jurisdictions participating in the regional AI. The Board will continue to meet quarterly to discuss regional fair housing issues and ways to address identified impediments to fair housing.

Enhanced Coordination Between Public and Private Social Service Agencies

The City works closely with other public and private agencies in order to implement and coordinate the objectives, programs and policies for producing and preserving affordable housing and meeting community development needs. The City encourages the participation of other agencies in the development of affordable housing programs and social services aimed at reducing the number of households with incomes below the poverty line. Several nonprofit organizations in the community have been working with the City under different projects and programs. These organizations address the lower income segment of this community by

providing services such as support services, education, job training, budget counseling and assistance in obtaining permanent housing.

Two nonprofit organizations located in Escondido are currently certifiable as Community Housing Development Organizations (CHDOs) by the Housing Division. They are San Diego Habitat for Humanity and Community HousingWorks. This certification promotes better coordination of available HOME federal funds for development of affordable housing. It also enhances coordination between public and social service agencies.

To coordinate the use of funding sources to develop housing programs, a Staff Development Committee (SDC) is utilized. The SDC is made up of representatives from various City departments and divisions such as Housing, Neighborhood Services, Planning, Building, Code Enforcement, Finance, Engineering, and the City Attorney's Office. The group meets to discuss the physical development of the projects, as well as the use of HOME funds and other sources of funds for the development of the projects. This provides an effective method of coordinating the various departments, people, programs, and funding sources to be used in the jurisdiction.

Section 3

As required by Section 3 of the Housing and Urban Development Act of 1968 (Section 3), and as amended by Section 915 of the Housing and Community Development Act of 1992, the City ensures that economic opportunities generated by HUD financial assistance for housing and community development (such as HOME and CDBG funding) are targeted to low- and very low-income individuals. Pursuant to Section 3, economic opportunities include, but are not limited to, job training, employment, contracting, and subcontracting. In FY 2012-2013, contractors and sub-contractors on HOME projects reported a total of 32 new hires, 21 of which are Section 3 residents. In FY 2012-2013, contractors and sub-contractors on CDBG projects reported a total of five new hires, all of which were Section 3 residents.

Public Housing Improvements

The City of Escondido FY 2012-2013 Action Plan does not include a program for carrying out public housing improvements because there are no public housing projects within the City.

Resident Initiatives

The City of Escondido utilizes CDBG funds to directly involve residents in improving the physical and social environments of their neighborhoods. The City serves as a catalyst to stimulate residents' participation in the revitalization of its community by providing resources, technical expertise and support. Documented decreases in crime, code issues and graffiti have resulted from this partnership between neighborhood groups and the City.

Lead-Based Paint Hazard Reduction

On January 24, 2001, the Escondido Community Development Commission approved a grant program for lead-based paint testing and hazard reduction in pre-1978 housing, in conjunction with the Owner-Occupied Housing Rehabilitation Loan Program. The program provided grants to owner-occupied residents (who were rehabilitating their homes through the City's Rehabilitation Program) to conduct required lead-based paint-related activities under Title X regulations such as paint testing, risk assessment, hazard reduction or abatement and clearance. Grants were paid with Housing Set-Aside Funds budgeted for lead-based paint

activities related to rehabilitation. Alternate funding sources will allow lead-based paint testing and remediation to continue when needed for rehabilitation projects.

During FY 2012-2013, no households received funds for lead inspections and risk assessments. It is anticipated that fewer lead inspections and risk assessments will be funded since the homeowner rehabilitation program has been discontinued.

City Housing staff continues to attend meetings, seminars and training regarding lead-based paint hazard reduction, when available. Staff also continues to provide informational brochures to the public regarding lead-based paint hazard reduction.

DRAFT

Citizen Comments

For this CAPER, two notices, one in English and one in Spanish, ran in the North County version of the UT San Diego on September 3, 2013, publicizing the public comment period which ran from September 4, 2013 to September 18, 2013. The draft CAPER was also posted on the City's Web site www.escondido.org and was available at the public counter. No comments were received during the public review period. Should additional comments be received following final submission of this CAPER, they will be forwarded to HUD.

Monitoring

Housing Programs

For detailed information about monitoring in relation to the City of Escondido's Housing programs and the HOME program refer to the Assessments section on page 59.

CDBG Programs

During FY 2012-2013, the City monitored all CDBG programs on a continual basis to facilitate program compliance, timely project completion and opportunities to provide technical assistance to subrecipients. Monitoring strategies were implemented consistent with those specified in the City's 2010-2015 Consolidated Plan and included telephone calls and e-mails, ongoing review of financial records and monthly invoices, review of quarterly agency performance reports, technical assistance and site visits. Site visits were performed on an alternating basis and not due to any concerns with agency performance. Overall, subrecipients made diligent efforts to comply with applicable federal requirements; projects progressed on schedule and, based on files and systems reviewed, were in compliance with the regulations governing administrative record keeping systems. There were no findings or concerns for subrecipients in FY 2012-2013.

Community Development Priorities

In FY 2012-2013, the City of Escondido expended a total of \$1,913,255 in CDBG funds on activities to address the six community development priorities specified in the Five-Year Consolidated Plan:

1. Increase quality-of-life opportunities for Mission Park area youth and families by improving their social and physical environment;
2. Provide economic development opportunities for Mission Park area residents;
3. Explore and develop coordinated, low-cost, flexible transportation alternatives for seniors;
4. Identify and improve low-income neighborhood areas appropriate for revitalization through direct citizen involvement;
5. Support comprehensive integrated service systems to transition local homeless families and individuals to permanent or residential housing and self-sufficiency; and
6. Continue to utilize CDBG and general fund resources, as they become available, to address the public facility needs identified in the City's ADA Transition Plan.

In addition to the original activities outlined in the FY 2012-2013 One-Year Action Plan adopted April 6, 2011, additional CDBG and general fund activities supported Escondido’s community development priorities. These additional projects expended CDBG and general funds allocated mid-year, as well as other public and private resources leveraged by the City’s CDBG monies.

All of the City of Escondido’s community development activities benefited low- and moderate-income persons and/or were concentrated in low-income neighborhoods. The geographic distribution of these activities is shown on the Distribution of Projects by Local Priority Map on the next page. Over 3,400 individuals were directly assisted through CDBG and City-supported community development projects.

DRAFT

INSERT CDBG PROJECT DIST. MAP

DRAFT

DRAFT

Community Development Activities

All expenditures and outcomes for the following programs and projects reported on for this CAPER are included in the FY 2012-2013 Accomplishment Data Chart, beginning on page 63.

Activities to Support Priority #1: Youth and Families

Learn to Swim Program

In FY 2012-2013, the Learn to Swim program continued to provide swimming and water safety classes to youth with a focus in the Mission Park neighborhood. The program was developed based on a *USA Swimming* report highlighting the need for swim lessons in ethnically diverse communities. The study found that 56% of Hispanic children are unable to swim causing the drowning rate to be 2-3 times higher among youth in this community. Additionally, the study revealed an economic barrier in that children on a free or reduced lunch program are twice as likely to be non-swimmers.

Exceptional Promise Scholarship Program

The Exceptional Promise Scholarship Program focused on empowering promising, young people with the ability to pursue more advanced goals by providing scholarships enabling low- and moderate-income youth the opportunity to participate in recreation activities for which costs would normally be economically unfeasible. Specifically, the success of the previously mentioned Learn to Swim Program, which has led to an increased number of low-income young people interested in advancing their aquatics skills. Through this scholarship program, those young athletes continued to have opportunities to pursue advanced athletic goals.

Safe Walk

In FY 2012-2013 The Escondido Union School district administered the SAFEWALK Program through the CARE Youth Project, Escondido Union School District's Safe Schools/Healthy Students Initiative. Parent liaisons from Mission Region schools supervised parent volunteers who monitored the streets around the schools for 30-40 minutes before and after school hours ensuring these low-income, at-risk elementary and middle school students a safe walk to and from school. This year the expanded program was offered at 10 schools with 6 of those schools located within our Mission Park Neighborhood.

Food-4-Kids

In FY 2012-2013, the Food-4-Kids Backpack Program, administered by the San Diego Food Bank, provided discrete backpacks full of healthy foods, nutrition information and resource referral information to very low-income students at Lincoln Elementary each Friday before they left school. The program has shown to improve school attendance and student performance for children who might not otherwise have had enough to eat over the weekend.

The City of Escondido has made considerable progress in addressing the Youth and Families priority during this One-Year Action Plan period. The City's strategy included the provision of youth recreation and enrichment programs, safety/crime prevention programs and nutrition programs to complement the public and private resources already focused on improving the lives of youth and families, and directing a comprehensive focus of the resources to the Mission Park neighborhood. During this One-Year Action Plan period, the City invested over \$75,000 in this priority and served over 1,600 individuals.

Activities to Support Community Development Priority #2: Provide economic development opportunities for Mission Park area residents

Workforce Assistance Computer Lab at the Library

The Economic Development priority was addressed in FY 2012-2013 with a program offered at the Escondido Public Library which provided computer access for individuals seeking job information, writing résumés, applying online for unemployment benefits, locating housing and other workforce-related community resources. 221 individuals accessed this program in FY 2012-2013, receiving guidance on resume writing, computer training and referrals to other resources. All 221 participants have their resumes listed on Cal-Jobs. Although the Career Center encourages participants to report job placement, they have not received much feedback in this regard. A total of 18 full-time positions, 14 part-time positions, and 1 temporary position have been reported by participants in FY 2012-2013. This is a significant increase from FY 2011-2012.

Bilingual Computer Class

In FY 2012-2013, The City of Escondido's Neighborhood Services Division offered a free bilingual computer training class intended to prepare individuals, with a focus in the Mission Park Area, for employment. Four, seven week courses were offered with 84 individuals attending. Classes were held once a week with beginner classes on Tuesday evenings and Intermediate on Thursday evenings. The program was very successful with a number of participants completing the very basic Beginner Classes which included such topics as, introduction to and use of hardware components, navigating the desktop, navigating within a document, beginner word, excel, power point and internet use, etc. and continuing onto the Intermediate level classes. At the intermediate level topics included operating in windows explorer, customization, desktop publishing, and intermediate word, excel and power point etc. With the opening of the new Computer Lab at our East Valley Community Center this year, we were able to expand our program doubling the size of our classes and allowing each student to have their own computer.

The City remains committed to increasing economic opportunities and wealth for residents, with special emphasis in the Mission Park area. The City's primary focus on the economic development strategy for Mission Park area residents was through a combination of various programs designed to increase employment opportunities, including job training, job search assistance and access to affordable childcare. Childcare programs are included under this

priority because access to affordable childcare allows parents to work, attend career training or further their education.

Activities to Support Priority #3: Transportation Alternatives for Seniors

Senior Transportation Program

During FY 2012-2013, the City served 150 Escondido seniors through its coordinated transportation program, providing door-to-door service to the Park Avenue Community Center (PACC), formerly known as the Escondido Joslyn Senior Center, nutrition site. Transportation services to and from the PACC enabled many low-income seniors access to services including the lunch program, exercise, free medical screenings, and to socialize with peers. The program operates five days per week and is managed by the City's Older Adult Services Division through a contract with Redwood Elderlink.

Senior Nutrition Program

Managed by the City's Older Adult Services Division, the nutrition program provides daily transportation to and from the Park Avenue Community Center (PACC) as well as a low-cost, nutritionally-balanced Noon meal. In FY 2012-2013 the nutrition program served 569 seniors. During FY 2012-2013 there were 24,268 meals served, averaging 99 people per day. In addition, the PACC offers a weekend meal program, Park Avenue café at Home (PACAH), to assist low-income seniors by providing them with nutritious, frozen meals on Fridays that can be simply reheated in a microwave or conventional oven. 3,328 meals were distributed through the PACAH Program.

Senior CARE Program

Based at the Park Avenue Community Center, this program provided seniors with information and resources assisting and supporting them through the process to resolve their issues. During FY 2012-2013, the program provided case management services for 397 individual clients and had over 530 visits. In addition, the program provided referrals for walk-in or telephone requests for assistance from seniors, their family members or their caregivers. The program is recognized as a valuable component in linking seniors to much-needed services.

In-Home Meal Delivery

In FY 2012-2013, as in previous years, this program was carried out by Meals on Wheels of Greater San Diego. The program provided two nutritious meals per day, seven days a week, to 158 homebound seniors and people with disabilities. Trained staff counselors visit the clients to assess their financial, nutritional and daily living needs. The project helps seniors and people with disabilities stay independent and reduced the need for transportation services.

The City made significant progress on the Senior Transportation priority during the FY 2012-2013 Action Plan period, expending over \$100,000 towards this priority. Without these services, many seniors would be isolated and potentially suffer from lack of nutrition. CDBG is thereby assisting seniors in Escondido to continue living independently with confidence and vitality.

The City's strategy to develop a coordinated system to support this priority included the continuation of a comprehensive transportation program for seniors linked to nutrition and social and independent living purposes.

Activities to Address Priority #4: Neighborhood Revitalization

In FY 2012-2013, the City continued its focus on neighborhood revitalization through a high level of involvement with residents, specifically those residing in Escondido's 17 organized neighborhood groups.

As outlined in the CDBG Accomplishments Table, during FY 2012-2013 a total of \$1,156,465 in CDBG funds was expended on capital and infrastructure improvements in neighborhoods, plus over \$113,000 on smaller Grants to Blocks projects and neighborhood support activities which complement the larger neighborhood revitalization projects underway in the City.

Comprehensive Street Improvements

Tulip Street Improvements

The multi-year, multi-phase Tulip Street Improvement Project was originally approved in FY 2005-2006. To date, City Council has allocated over \$3 million in CDBG funds to the multi-phase Tulip Street Improvement Project in the Westside Census Tract (CT 205.00). The first phase of this project, which included comprehensive street improvements (new curbs, gutters, retaining walls, sidewalks with ADA-accessible ramps, street lights, street surfaces and right-of-way improvements) on Tulip Street from 9th to 7th Avenues, was completed in June 2008. The second phase, which included comprehensive street improvements on Tulip Street from 7th to 5th Avenues, was completed in November 2009 and the third phase, which included comprehensive street improvements on Tulip Street from 5th to 3rd Avenues, was completed in January 2012. Additional funding for this multi-phase project was allocated in FY 2012-2013 which will be combined with future CDBG funding to complete the project.

Grape Street Improvements

Previously put on hold and reinstated last year, the Grape Street Improvement Project will be a full street improvement project consisting of new curbs, gutters, retaining walls, sidewalks, street lights and new surfacing of streets in public rights of way on Grape Street between Washington and Mission Avenues. Since its reinstatement in FY 2011-2012, plans and design have been completed and the project is currently out to bid. The bid will be awarded in September of 2013 and we expect to have the project completed within the fiscal year.

Oak Hill Child Care facility and Street improvements

The Oak Hill Child Care facility improvements, completed in June 2013, increased the child care capacity at the facility by 48 children, enabling more families to enter or remain in the workforce and/or further their education. This project consisted of full street improvements consisting of new curbs, gutters, retaining walls, sidewalks, street lights and new surfacing of streets in public rights of way.

Elm Street Improvements

The Elm Street project also consists of full street improvements consisting of new curbs, gutters, retaining walls, sidewalks, street lights and new surfacing of streets in public rights of way on Elm Street between Washington and the Escondido Creek Trail. This project will be done in conjunction with the Habitat for Humanity townhome project in the same location, incorporating elements to facilitate future revitalization of the Escondido Creek Trail. Again in FY 2011-2012 there has been great progress with the design plans for this project and we expect improvements to begin February 2013.

Right-of-Way Enhancement Program

As street projects are completed, many residents begin to re-landscape their properties to complement the improvements made to the street. The Right-of-Way Enhancement Program provides property owners authorization to extend their permanent landscapes beyond their property line to the edge of the newly-constructed sidewalk (i.e. into the public right-of-way). Neighborhood Services staff members work closely with property owners to design water-saving, permanent landscapes that are aesthetically appealing with minimal negative impact on the new street improvements.

The program has had a very successful track record since its implementation in the Los Arboles neighborhood in 2003. The Right-of-Way Enhancement Program benefits the property owners by giving them the use of a much larger front yard area without the need to purchase additional space. In turn, the owners are motivated to maintain the right-of-way, thus alleviating impact on City resources to do so.

Program funds are used to reimburse the owners for the purchase of approved permanent landscaping materials, including live plants, irrigation and fencing. Similar to the Grants to Blocks program, there is a requirement that a labor match be provided by the property owner.

Grants to Blocks Neighborhood Improvement and Support Program

The Grants to Blocks Program has been in existence since 1999, and addresses the need to fund multiple, small neighborhood revitalization projects in low-income neighborhoods. It was expanded in 2006 to include support for neighborhood organization efforts.

Participants in the Grants to Blocks Program are required to partner and build consensus with a minimum of two neighbors to qualify for funding, creating a catalyst for resident involvement in the improvement of neighborhoods. Grant funds must be used for exterior improvements, thereby encouraging neighborhood beautification efforts. As with the Right-of-Way Enhancement Program, applicants are required to provide a labor match.

In FY 2011-2012, Grants to Blocks funds were used to support 15 neighborhood cleanups, with Escondido Disposal Co. (EDI) covering the cost of dumpsters (approx. \$700 per dumpster, averaging 2 dumpsters per clean up, in leveraged funds). Members of the neighborhood groups provided the labor involved in each of the projects. Neighborhood group members donated more than 739 hours of volunteer labor at neighborhood cleanups in FY 2011-2012.

Grant to Blocks activities also included staff support for existing and emerging organized neighborhood groups. The City's work to grow neighborhood groups continued to expand during FY 2011-2012, adding one new organized neighborhood group for a total of 16 groups. During FY 2011-2012, City staff provided support for all 16 organized neighborhood groups who held a combined 91 neighborhood meetings, 10 block parties and 15 cleanups. Representatives from

numerous City departments (including Police, Planning, Code Enforcement, City Council members and Neighborhood Services staff) regularly attend the scheduled meetings of these neighborhood-based groups, providing updates, support and technical assistance. Other departments (such as Recycling, Fire, Water and Recreation) attend as invited speakers, presenting news and information of interest to the group. The Grants to Blocks program continues to stimulate significant resident interest and participation. The program continues to serve as a catalyst for resident participation and investment in the community's continuing effort to restore and revitalize its older neighborhoods.

DRAFT

Volunteer Hours Bank

In January 2008, the City launched a new tracking tool for neighborhood groups' volunteer hours in an effort to encourage resident participation in neighborhood revitalization efforts. Under the program, eligible volunteer hours are "banked" and then used as a funding match for eligible Grants to Blocks neighborhood improvement projects. Hours are credited at a rate of \$12.00 per hour, per person. Volunteer hours are banked for civic engagement activities such as neighborhood cleanups, attendance at the annual Neighborhood Leadership Training program, attendance at neighborhood conferences, help with graffiti removal and staffing the Neighborhood Porch. In FY 2011-2012, 2,939 volunteer labor hours were banked by neighborhood groups.

Neighborhood Leadership Training

The Neighborhood Services Division sponsors an annual Neighborhood Leadership Training program for residents, specifically focused on involving them in organized neighborhood groups. This program identifies participants' strengths and develops their organizational and leadership skills, preparing them for future leadership within their organizations. It has been instrumental in the development of several organized neighborhood groups. The program is provided at no cost to participants. In FY 2011-2012, 18 residents graduated from the course, totaling 136 alumni since the program's inception.

Neighborhood Leadership Forum

The Neighborhood Leadership Forum (NLF) is hosted on a quarterly basis by the Neighborhood Services Division. The NLF is an opportunity for neighborhood group leaders to meet regularly, network, exchange information and share ideas. The NLF has become an important venue during which the City can deliver and share information that the neighborhood leaders then take back to their group members. The leaders learn best practices and develop camaraderie through their shared challenges.

The Neighborhood Porch

The Neighborhood Porch is a 12-foot trailer outfitted with the essential tools necessary to conduct neighborhood meetings: tables, chairs, canopies and informational brochures on a variety of topics. Bilingual City staff members, often accompanied by volunteers, set up the Neighborhood Porch in neighborhoods and at various special events to share information, answer questions and address residents' concerns.

The Neighborhood Porch brings the resources of City Hall and the community into the neighborhoods, with over 100 different informational brochures and flyers on topics such as children's services, health insurance, affordable housing, important City phone numbers, education, older adult services and employment.

In FY 2011-2012, 7 Neighborhood Porch events were held at venues such as local schools, neighborhood block parties and other special events. Over 100 resident contacts were made at these events.

Elder Place Task Force

Mission Park, located in central Escondido, includes two of the lowest-income census tracts in the City (CT's 202.02 and 202.12) and is a targeted geographic area for community

development priorities in the Five-Year Consolidated Plan. This area has experienced some of the most serious criminal activity in the City in the last several years.

One particular cul-de-sac in this area, formerly known as Elder Place, contained more than 50 multi-family rental units in serious disrepair, some in foreclosure. Elder Place had become widely known as a hot-bed of gang activity and a meeting place for gang members from all over the region. To make matters worse, Elder Place was located next to Mission Middle School, with students and school officials subjected to harassment from the criminal forces that congregated there on a continual basis. Residents of Elder Place reported living in fear daily.

In 2007, the interdepartmental Elder Place Task Force was formed, made up of City staff from Police, Fire, Housing, Code Enforcement, Neighborhood Services, Public Works and the Recreation Division. The Task Force met regularly for over a year to devise a strategy for addressing the problems in Elder Place.

Over the next few years, each City department contributed resources and organized activities to address the problems on Elder Place. The Neighborhood Services Division partnered with school leaders and the neighborhood church to foster relationships with Elder Place residents, organizing neighborhood cleanups, a neighborhood barbecue and a holiday party. The City's Code Enforcement Division implemented a "zero tolerance policy" for code violations in the neighborhood. The Police Department assigned full-time officers to the Mission Park area and provided crime statistics and resources to the Task Force. The Fire Department boosted its efforts and inspected and enforced health and safety issues at each property. The Public Works Department directed its resources toward eradicating graffiti and trash. The Task Force members worked together to engineer the re-striping of an adjacent public alley to eliminate overcrowded and abandoned parking conditions.

Finally, in FY 2007-2008, the most significant development occurred, which was the acquisition of a majority of the properties in Elder Place by an affordable housing developer. The City Council directed \$5 million in redevelopment funds to assist with the acquisition. In FY 2008-2009, plans were developed for an affordable housing project on Elder Place, and in FY 2009-2010, the groundbreaking ceremony for The Crossings at Escondido was held. On July 16, 2011 The Crossing were complete and began to accept residents. The attractive, well-designed project provides 55 affordable apartments and a community center with professional property management and social services for residents.

The Elder Place task force, now renamed Mission Park Task Force, has been expanded to cover the entire Mission Park neighborhood. The group continues to meet monthly to address current issues.

Project NEAT

During FY 2011-2012, Neighborhood Services staff from Project NEAT inspected properties in sixteen organized neighborhoods, identified as deteriorated or deteriorating, and resolved 110 code violations. These violations included property maintenance issues, abandoned vehicles, unpermitted structures and zoning code violations. Of the 110 projects, five were referred to the Code Enforcement Division for additional enforcement action due to resident non-compliance with local ordinances. Seventeen additional properties were referred directly to Code Enforcement without staff intervention due to the violations being outside the scope of Project NEAT's responsibilities. These violations included health and safety violations, building permit violations, and possible criminal activity associated with a property.

Beginning in January 2012, Project NEAT began operating on a part time basis. Project NEAT staff attended 1 new neighborhood group's meeting, where a presentation was made regarding how residents could make use of Project NEAT services and what property maintenance issues rose to the level of violations of the City's Municipal and Zoning Codes. Staff also presented a summarized version of the project to the Neighborhood Leaders.

Staff from Project NEAT toured the neighborhoods, encompassing over 2400 residential properties, to locate homes that were in violation of City codes. Neighborhood Presidents and residents were also instrumental in identifying potential issues in their own neighborhood and reporting them accordingly. Staff made contact with the property owners to explain the nature of the violations, and the potential consequences of maintaining their properties out of compliance with these codes.

Code Enforcement

CDBG-funded neighborhood revitalization efforts also included funding two part-time Code Enforcement Officers to address commercial properties in CDBG-eligible census tracts. This code enforcement activity worked in conjunction with Project NEAT and other neighborhood revitalization efforts to address appearance and compliance issues relating to commercial properties such as, signage, weed cleanup, appearance of store fronts and general property maintenance. Since August 2011, the two CDBG funded Code Enforcement Officers opened 344 code cases. The eligible area included approximately 25,790 households and 1,852 businesses. By coordinating efforts with these businesses both the residential and commercial areas benefit, contributing to the overall appearance and economic vitality of that neighborhood.

Escondido Creek Improvement Project

The Escondido Creek Improvement Project was created in FY 2009-2010 to address the Neighborhood Revitalization priority. The project included a Vision Plan, which was completed in July 2010, by Cal Poly Pomona Architectural Landscaping graduate students. The Vision Plan included design and improvements to the Escondido Creek bicycle and pedestrian path, which is adjacent to low and moderate income neighborhoods. It included lighting, paving and re-striping. The intent, of these potential improvements, is to transform the flood control channel along Escondido Creek into a safe, attractive, usable space that connects neighborhoods, provides recreational opportunities and improves bicycle and pedestrian access.

In April 2010 CDBG funds were used to build a retaining wall and pocket park along the creek trail which included installation of light poles, chain link fencing and security cameras. This project, done by Senior Housing partners, in conjunction with our Juniper Senior Village Housing project, would act as a demonstration project that would set the design standards for additional creek improvement.

In April 2011 the City of Escondido was awarded a Healthy Communities Grant, from San Diego Association of Governments (SANDAG), for 75,000, to fund an Escondido Creek master plan based on the vision plan conducted by Cal Poly. With these leveraged funds, the master plan was developed. The plan focuses on a segment of trail approximately six miles long and includes amenities such as new trail connections, pedestrian bridges, safer street crossings, better signage, community gardens and improved landscape. In addition to the Master Plan, Plans for a lighting project along the trail were also completed in FY 2011-2012. Construction of that project is expected to begin January 2013.

One of the several ongoing projects designed to upgrade the creek trail, also accomplished this year, was the Ash Street undercrossing. This 2 million dollar project made possible by leveraged funds from SANDAG, allows bicyclists and pedestrians to maintain continuous and safe travel along the pathway without having to cross the busy surface street mid-block.

Activities to Address Priority #5: Homelessness/AIDS

Regional Winter Shelter

In addition to efforts listed in the Continuum of Care section, the City continued to serve as an active partner in the development of a Regional Winter Shelter Plan for North San Diego County. A task force made up of North County social service agencies (known as the Alliance for Regional Solutions) and nine North County cities developed a regional system for managing homeless needs during the cold winter months. The mission of the system was to provide safe, drug- and alcohol-free emergency homeless shelters with intensive case management and support services.

In FY 2011-2012 the Regional Winter Shelter in Escondido provided emergency shelter and case management services to 127 homeless individuals.

The City of Escondido is dedicated to the development and support of a continuum of care that addresses and prevents homelessness. The One-Year Action Plan identified the integration of services as a key to filling gaps in Escondido's local continuum.

Supportive Housing Program funds have increased the availability of transitional housing and support services for Escondido's homeless persons. In Escondido, these funds have been used for outreach and central intake, acquisition and operation of transitional housing units for families, residential support services, transitional housing for victims of domestic violence and case management services.

Activities to Address Priority #6: ADA Improvements to Public Facilities

In FY 2011-2012, the City used general funds to continue to make improvements to public facilities as they are prioritized in the City's ADA Transition Plan, in addition to including ADA improvements in the design and construction of all capital improvement projects.

Anti-displacement and Relocation

During 2012-2013 no residents were displaced from their residences due to acquisition or development of affordable residential projects or any other projects.

Program Income (HOME)

During FY 2012-2013, a total of \$2,243,507.96 was generated from match obligations, residual receipts from rental developments, and Home Entry Loan Program (HELP) loan payoffs. Of that amount, \$125,717.70 in Program Income came from HELP program loan payoffs; \$34,488.34 came from recaptured funds from HELP loans; \$126,271.42 in Program Income came from residual receipts; and \$1,957,030.50 resulted from a match obligation. In keeping with HUD guidelines \$16,369 of the Program Income was expended on the administration of the program, which is no more than ten percent of the total. Eight (8) HELP loans were issued during the reporting period for a total of \$99,935. All eight loans were paid with recycled funds.

The City's Home Entry Loan Program (HELP) funded by HOME funds is consistent with recapture provisions under section 92.254 of Title 24. During the reporting period, the City loaned 5% of the purchase price each, up to \$25,000, to low-income households (80% of the median income and below) to be used toward down payment or closing costs for the purchase of a home. Prior to the close of escrow, the homebuyer is required to sign a promissory note agreeing to pay back all of the principal and interest income in one lump, should there be a sale, non-occupancy or transfer of title prior to the eleventh year, after which the principal is still required. All funds generated from loan payoffs are recycled back into the HELP program.

Program Income (CDBG)

During FY 2011-2012, a total of \$216,069 in program income was generated from the sale of a property which had been purchased in part with CDBG funds. Per HUD regulations, when a property purchased with CDBG funds is sold, the CDBG program must be reimbursed from the proceeds. These reimbursed funds are considered "program income," 20 percent of which may be used for administrative costs in the same fiscal year.

Per Escondido City Council approval \$43,200 was allocated to the Neighborhood Services CDBG Administrative budget for FY 2011-2012.

Prior Period Adjustments

On June 22, 2011 Escondido city council approved an amendment to the FY 2011-2012 Action Plan for CDBG to allocate \$32,742 in program income to the Escondido Education COMPACT Healthcare Career Pipeline program and \$185,540 in program income to phase five of the Tulip Street Improvement Project. The funds, totaling \$218,282, are revenue received from the sale of a property to the Center for Community Solutions (CCS) in May 2011 purchased in part with CDBG funds.

On October 12, 2011, the Escondido city council approved an amendment to the FY 2011-2012 One-Year Action Plan for CDBG, allocating \$75,000 in unallocated CDBG funds to be used to fund the Grape Street Neighborhood Improvement Project. This funding was allocated to complete project designs and move forward with the bidding and construction of this project.

March 28, 2012 Escondido city council approved an amendment to FY 2011-2012 One Year Action Plan for CDBG to allocate \$60,000 in unallocated funds to purchase computer equipment for the proposed East Valley Community Center Computer Lab.

On April 25, 2012 Escondido city council approved a budget adjustment, allocating 20% of the Program Income received from the sale of the property at 2196 Montemar Avenue to the 2011-2012 Neighborhood Services Administration budget.

Loans and Other Receivables

As of June 30, 2012, \$56,194 in CDBG-funded Residential Rehab Loan payments were outstanding. This includes eight loans to individuals made over the last ten years in amounts ranging from \$2,700 to \$10,000. None of the above mentioned loans are in default at this time.

The property, located at 2196 Montemar Avenue, into which \$130,000 in CDBG funds were invested, sold on April 11, 2012. Funds were repaid to the city in the amount of \$216,000 which were reported as program income.

Also during FY 2011-2012, the property located at 1851 E. Washington into which \$185,000 in CDBG funds were invested did sell. This property, owned by St. Clare's Home's, operated their non-profit organization for 15 years at the location as it was intended, covering the costs of upkeep and maintenance. Due to the following, the City of Escondido did not seek repayment of the CDBG funds originally allocated for the purchase and improvement of the property:

- After researching HUD restrictions, HUD requires groups to return money if they cease operations within 10 years of receiving a grant. In this case 15 years had passed since the original grant was awarded.

During FY 2012-2013, five HOME-funded first-time homebuyer loans were in default and written off, totaling \$91,500.

Assessments of CDBG Accomplishments

In this second year of our Five Year Consolidated Plan, the city has made substantial progress toward meeting the goals of the Five Year Consolidated Plan's six identified CDBG priorities as well as addressing the obstacles to meeting the needs of the underserved. It is anticipated, based on the second year's progress, that each of the goals will be met or exceeded. See the CDBG Accomplishment Data Table beginning on pg. 63 for a summary of the city's annual progress.

The City of Escondido has made considerable progress in addressing the Youth and Families priority during this One-Year Action Plan period. The City's strategy continued to include youth recreation and enrichment programs, safety/crime prevention programs, such as SAFEWALK, and nutrition programs; with a continued focus of the resources on the Mission Park neighborhood.

The City remains committed to increasing economic opportunities as well as raising the median income for our residents. Our primary focus on the economic development strategy continued to combine various programs designed to increase employment opportunities, including job training, such as the Healthcare Career Pipeline and job search assistance.

The City's strategy to develop a coordinated system to support the Senior Transportation priority included the continuation of a comprehensive transportation program for seniors linked to nutrition, social and independent living purposes. The City made significant progress during the FY 2011-2012 Action Plan period, and expects to continue to meet our target of assisting over 1000 people per year.

The City continued to focus on neighborhood revitalization through the implementation of comprehensive neighborhood street improvements in targeted low-income areas, specifically those residing in Escondido's 16 organized neighborhood groups. The City completed Phase Three, of the multi-phased Tulip Street Improvement Project in January 2012. Additional funding for this multi-phase project was allocated in FY 2012-2013, which will be combined with future CDBG funding to complete the project.

In addition, the city continued to provide comprehensive, coordinated activities such as street improvements, Project NEAT, smaller neighborhood beautification projects and community engagement efforts (cleanups and block parties) in areas targeted for revitalization; all focusing on a high level of resident involvement.

As with previous years, The City of Escondido remained dedicated to the development and support of a continuum of care that addresses and assists in preventing homelessness. This year and in the upcoming plan years, the city anticipates providing emergency shelter and case management services to at least 150 homeless individuals per year.

Over the remainder of the five-year plan period the city will continue to use general funds to make improvements to public facilities as they are prioritized in the City's ADA Transition Plan. In addition the city has and will including ADA improvements in the design and construction of all capital improvement projects.

The City has recognized that the correlation between some of the Consolidated Plan goals and the current accomplishments reported in the 2010-11 CAPER and the 2011-12 CAPER are unclear. Rather than modifying the Consolidated Plan multiple times, The City is currently reevaluating the goals established in the Consolidated Plan to more accurately reflect our accomplishments; taking into consideration the 16% reduction to FY 11-12, the 12% reduction to FY 12-13 and possible future reductions to future CDBG allocations thus allowing for more correlation between the goals in the Consolidated Plan and the accomplishments in the annual report.

Assessment of Relationship of HOME Funds to Goals and Objectives

The effectiveness of the City's performance during the reporting period in the achievement of overall one-year, and the status of five-year, strategy objectives and priorities can be assessed by comparing actual vs. planned accomplishments related to each priority. The City has made substantial progress toward meeting the five-year objectives in each of the five Consolidated Plan priorities. It is anticipated based on the three-year progress that most of the five-year goals will be met by the end of the Consolidated Plan period. See the HOME, Redevelopment and NSP Accomplishment Data Tables beginning on page 63 for a detailed summary of the City's annual and overall progress toward meeting its five-year Housing Priorities.

The first housing priority is to increase home ownership opportunities. Over the current five-year period, FY 2010-FY 2015, the City anticipates assisting 75 first-time homebuyers with loans from the Home Entry Loan Program (HELP), 15 first-time homebuyers with Mortgage Credit Certificates (MCCs) and 10 first-time homebuyers with the development of new ownership units. This averages 15 HELP loans, three MCCs, and two new ownership units per year.

During FY 2012-2013, 8 households received loan assistance from the Homebuyer Entry Loan Program (HELP loans) and 5 households received MCCs, including one household earning no more than 80% AMI. During the previous two fiscal years, 94 households received HELP loans and 18 households received MCCs. This gives a total of 102 HELP loans and 23 MCCs in three years, which exceeds the five-year goal.

The City anticipated participating in the provision of 10 new ownership units within the 2010-2015 period, furthering the goal of increasing homeownership opportunities. No new ownership units were completed during the 2010-2011 or 2011-2012 fiscal years. During FY 12-13, five new ownership units were developed and sold within two existing mobilehome parks, four of which were to families earning less than 80% AMI. It is anticipated that additional new affordable ownership units will be developed by San Diego Habitat for Humanity during the remainder of the Consolidated Plan period (2010-2015), which would meet the goal.

In order to help maintain the supply of existing ownership housing as a source of low- and moderate-cost housing, the City anticipated funding 110 owner-occupied single-family and mobile home rehabilitation loans over the five-year period. The average for a one-year period would be 22 new loans. During FY 2010-2011, the city funded 22 rehabilitation loans, including 19 to mobile home owners and three to owners of single-family residences. During FY 2011-2012, the City funded 15 rehabilitation loans, all of which were to mobile home owners, with no loans to owners of single-family residences. This is a total of 37 rehabilitation loans in two years. The program was discontinued prior to FY 2012-2013 due to funding limitations. If additional funding is located the program may be continued. Otherwise, the focus will be on

assisting non-profits or other developers in the acquisition/rehabilitation of existing residential projects for affordable housing.

To increase affordability of rental housing and promote neighborhood stability, the City has a five-year Consolidated Plan goal to assist 295 elderly and disabled residents per year with rental subsidies. 260 families/individuals were assisted in fiscal 2010-2011 and 2011-2012 with rental subsidies for an apartment or mobile home. All were earning less than 50% of median income, until funding restrictions resulted in changes to the program. All participants now earn less than 30% of AMI. During FY 12-13 116 seniors and disabled households were assisted through the rental subsidy program. In addition, in FY 2012-2013 a total of 1,345 Escondido households were assisted through Section 8 rental subsidies, which are administered by the San Diego County Housing Authority.

Over the five-year period, the City anticipates making funding commitments to assist in the provision of 115 additional affordable rental units and increase the supply of three- and four-bedroom low-income rental units by 20. These objectives would average out to approximately 23 additional low-income units per year, of which four units would have three or four bedrooms. During the first two reporting periods of the Consolidated Plan period, the City financially assisted in the completion of 116 new affordable rental units, including The Crossings (a 55-unit affordable rental project, completed in FY 2011-2012) and Juniper Senior Village (a 61-unit affordable senior project completed in FY 2010-2011). The Crossings includes 17 three and four-bedroom units. During FY 12-13, the City financially assisted Community HousingWorks to complete a 36-unit affordable rental project, which includes 12 three-bedroom units. This makes a total of 152 new affordable rental units, including 29 three- and four-bedroom units, which exceeds the five-year goal.

Assessments

Results of On-site Inspections of Rental Housing

Staff consistently works to ensure proper collection and documentation of information per HOME requirements and the HOME Final Rule. Monitoring of the HOME program includes physical inspections of a project, inspections of project paperwork, and review of tenant income/rent certifications and files. During the current fiscal year (FY 12-13), City staff conducted on-site monitoring visits to Orange Place, Sonoma Court, Emerald Gardens, Juniper Senior Village, Las Ventanas Village, Windsor Gardens, the Crossings, Via Roble, Sunrise Place and Daybreak Grove. Sonoma Court, Emerald Gardens, Orange Place, and Juniper Senior Village all were funded with HOME funds. The others have various funding sources. The City monitors HOME-funded projects as required, and similarly monitors affordable projects developed with other funding sources for consistency. All other HOME funded projects will continue to be monitored as required, in conformance with HOME program requirements. The results of project monitoring in FY 12-13 are as follows:

Orange Place Villas consists of 15 affordable, two-bedroom, rental units at 1611 South Orange Place. Several units were inspected and only minor issues were noted. Those issues were taken care of by management quickly. Tenant files and property records also were inspected and found to be in good order.

Emerald Gardens consists of 16 affordable, two, three- and four-bedroom, rental units at 425 West 11th Avenue. Several units were inspected and only minor issues were noted. Those

issues were taken care of by management quickly. Tenant files and property records also were inspected and found to be in good order.

Sonoma Court, 61 affordable units on East Mission Avenue, is owned by Affirmed Housing Group and managed by Solari Enterprises, Inc. Ten apartments, the exterior grounds and the common areas were inspected and only minor items were encountered. Those issues were taken care of by management quickly. Ten tenant files and property records were inspected and found to be up-to-date and in good order. The State of California department of Housing and Community Development (HCD) monitors this project, since the City received HOME funding prior to becoming a PJ.

Las Ventanas Village is an 80-unit affordable rental project located at 1460 South Escondido Boulevard. The project consists of two and three bedroom units. Thirteen units and the common area were inspected and only minor issues were noted. Those issues were taken care of by management quickly. Tenant files and property records also were inspected and found to be in good order.

Juniper Senior Village is a newly-constructed, 61-unit, affordable senior rental project, located at 215 East Washington Avenue. Nine units and the common areas, both exterior and interior, were inspected and found to be well-maintained. Tenant files and property records also were inspected and found to be in good order.

Windsor Gardens is a 130-unit senior, affordable rental project located at 1600 West Ninth Avenue. Twenty units and the common area were inspected with only minor issues noted. All issues were taken care of by management quickly. Tenant files and property records also were inspected and found to be in good order.

Via Roble is a 71-unit affordable project located a 1553 South Escondido Boulevard. The project is a mixed-use development with one-, two- and three-bedroom units. Ten units and the common area were inspected and only minor issues were noted. Those issues were taken care of by management quickly. Tenant files and property records also were inspected and found to be in good order.

Sunrise Place is an eight-unit affordable project consisting of two- and three-bedroom units. It is located at 1245 East Grand Avenue. Five units and the common area were inspected and only minor issues were noted. Those issues were taken care of by management quickly. Tenant files and property records also were inspected and found to be in good order.

Daybreak Grove is a 13-unit affordable project consisting of two- and three-bedroom units. It is located at 1256 East Washington Avenue. Seven units and the common area were inspected and only minor issues were noted. Those issues were taken care of by management quickly. Tenant files and property records also were inspected and found to be in good order.

The Crossings is a newly constructed, 55-unit affordable rental project consisting of two-, three- and four-bedroom units. Ten units, the exterior and interior of the buildings, and the common areas were inspected and found to be well-maintained. Tenant files and property records also were inspected and found to be in good order.

Staff consistently has found very few problems with building and property maintenance issues when completing on-site visits of HOME funded properties. There have been short lists of items to be repaired and they have been taken care of expeditiously. The lists are sent to the project

managers after the initial visit and a follow-up appointment is scheduled to insure that everything listed has been repaired or replaced. In addition, staff has been able to collect other information needed to ensure compliance with HOME requirements and Regulatory Agreements.

The City has contracted with Compliance Services, a private company, to assist in project monitoring and compliance beginning in FY 2010-2011. The online monitoring facilitates review of income, rent and occupancy information for each unit in each development. Staff will continue to complete on-site monitoring and property/unit inspections per HOME requirements, and there will be continued monitoring of the first-time homebuyer program. City staff continually updates monitoring procedures and will review any new requirements to insure that units are maintained as decent, safe, and sanitary.

HOME Affirmative Marketing Actions

During the review of all HOME-assisted rental projects, the City confirms that owners continue to collect data regarding affirmative marketing and race/ethnicity and that Fair Housing information is included on-site and in advertisements. The city has tried to ensure that all projects are utilizing the most updated HUD forms. Affirmative marketing practices include, but are not limited to, collection of race/ethnicity data, community marketing efforts (newspaper, flyers, etc.) and waiting lists. In each case, the project managers have had adequate affirmative marketing plans on file.

Outreach to Minority and Women Owned Businesses

Pursuant to our loan documents, all Escondido HOME fund recipients who are developing or producing affordable housing, and all CDBG fund recipients, are required to maintain records which demonstrate compliance with the Equal Opportunity and Fair Housing requirements, including documentation and data on the steps taken to implement outreach programs to minority-owned and female-owned businesses. During FY 2012-2013, one minority-owned and no female-owned business were utilized by HOME project contractors or subcontractors. One HOME construction project was continuing and completed in FY 2012-2013.

During FY 2012-2013, one minority-owned and no female-owned business were utilized by CDBG project contractors or subcontractors.

The City continues to ensure that documentation indicates the racial/ethnic or gender character of each business entity receiving a contract or subcontract of \$10,000 or more paid, or to be paid, with HOME or CDBG funds.

DRAFT

**ACCOMPLISHMENT DATA TABLES
HOME/REDEVELOPMENT/CDBG/NSP**

DRAFT

DRAFT

Insert

DRAFT

HOME REPORTS

DRAFT

CDBG REPORTS

DRAFT