



Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

Each year, the City of Escondido is required to prepare an action plan specifying how resources will be allocated to address the priorities established in the Consolidated Plan. The FY 2014-2015 One-Year Action Plan specifies how CDBG and HOME funds will be allocated to achieve the community development and affordable housing priorities of the 2010-2015 Consolidated Plan.

The FY 2014-2015 Action Plan covers the fifth year in the City's FY 2010-2015 Consolidated Plan period. The Five-Year Consolidated Plan and the One-Year Action Plan are required as part of the application and planning processes for four formula-based federal housing and community development programs: 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 in the community through the County of San Diego.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The statutes for the grant programs included in the Consolidated Plan set forth three basic objectives to benefit low and very low-income persons, and three basic outcomes.

The Objectives are: (1) Provide a suitable living environment; (2) Provide decent and affordable housing; and (3) Provide economic opportunities.

The three Outcomes are (1) Availability/accessibility, (2) Affordability, and (3) Sustainability

The Housing Priorities as listed in the 2010-2015 Consolidated Plan include: (1) Increasing homeownership opportunities; (2) Conserving the supply of existing ownership housing; (3) Expanding the stock of affordable rental housing; (4) Promoting neighborhood stability by increasing the length of stay in rental housing; (5) Increasing the supply of well-designed multi-family units; and (6) Expanding the supply of three- and four-bedroom rental units. Priorities 3 and 5 have since been combined into one priority: Expanding the stock of well-designed, affordable multi-family rental units. The Housing priorities will jointly satisfy the Objectives of providing decent, affordable housing and a suitable living environment. The Outcome will be housing Affordability.

The Housing goals for 2014-2015 will include Increasing the number of homeowners; Assisting with rehabilitation of existing units; Providing additional affordable rental units; and assisting low-income renters with subsidies. This is based on the Needs Assessment prepared in conjunction with the 2010-2015 Consolidated Plan. That assessment determined that housing costs were unaffordable to many; a large number of renter households needed housing assistance; there was a mismatch between supply and demand; and many family and senior households needed assistance to maintain their homes.

The CDBG Priorities as listed in the 2010-2015 Consolidated Plan include: (1) Youth and Families, (2) Economic Development, (3) Senior Transportation, (4) Neighborhood Revitalization, (5) Homelessness and (6) ADA Improvements. The City's anticipated outcomes from investment of CPD funds are to increase quality of life opportunities for low- and moderate-income persons by improving their social and physical environments as well as increasing the safety and stability of the low-income neighborhoods of the city. The CDBG priorities will jointly satisfy the Objectives of Providing a suitable living environment; and (3) Provide economic opportunities. All three outcomes (1) Availability/accessibility, (2) Affordability, and (3) Sustainability will be addressed.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Due to the progress made in the previous three years and in the current fiscal year, the Housing Section will have the same housing goals and will implement the same projects as in the previous four years of the Consolidated Plan. Through the first three years of the Consolidated Plan period (2010-2015), the city was able to assist 121 first-time homebuyers (through an MCC or a first-time homebuyer loan), with a five-year goal of 90. In the first three years, 31 rehabilitation loans were made to low

income homeowners, out of a five-year goal of 110. The Consolidated Plan contained a goal of providing rental assistance to 295 low income seniors and disabled persons per year. 295 persons were assisted the first year, while 260 were served the second year, and 116 were served the third year, due to reductions in available funding. A five-year Consolidated Plan goal also was established to provide 115 new affordable rental units, including three- and four-bedroom units for large families. 152 new affordable units were provided in the first three years, including 29 2- and 3-bedroom units. The city plans to continue towards meeting or exceeding its five-year Consolidated Plan goals of providing affordable housing to lower income residents.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City of Escondido follows the Citizen Participation Plan included as part of the 2010-2015 Consolidated Plan. For the 2014-2015 Action Plan, two public hearings were held one on March 26, 2014 to discuss priorities and the allocation process and the other on April 9, 2014 to discuss programs . Notices were published in English and Spanish two weeks in advance of the hearings and the Draft Action Plan was available for public review and comment for a 30 day period. XXX

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

No public comments were received during the 2014-2015 Action Plan process relating to the HOME program or HOME allocation.

At the first public hearing held on March 19, 2014, there were no speakers related to the CDBG allocation. At the second public hearing, held on April 9, 2014, there were XX speakers related to the proposed CDBG allocation.

6. Summary of comments or views not accepted and the reasons for not accepting them

N/A

7. Summary

The City of Escondido followed our Citizen Participation Process during development of the FY 14-15 Action Plan. Two public hearings were held, in addition to publishing notices of the meeting and the

availability of the draft plan in the local newspaper, and posting a draft of the plan on the City's website. All comments were reviewed.

The HOME and CDBG priorities from the 2010-2015 Consolidated Plan were used to establish goals and projects for the upcoming year.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	ESCONDIDO	
CDBG Administrator		
HOPWA Administrator		
HOME Administrator		
HOPWA-C Administrator		

Table 1 – Responsible Agencies

Narrative (optional)

The Public Works Department, Neighborhood Services Division, is responsible for administering the City of Escondido's CDBG program and allocation. The Community Development Department, Housing Division, is responsible for administering the City of Escondido's HOME program and allocation. Both Departments share responsibility for preparing the Consolidated Plan.

Consolidated Plan Public Contact Information

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AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

Many federal, state and local resources are expected to be available to address the housing and community development priority needs identified in the 2010-2015 Consolidated Plan. The City encourages partnerships and collaborative efforts with private enterprises, neighborhood groups and nonprofit agencies.

Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The City of Escondido has long been committed to fostering relationships with local community groups. Several nonprofit organizations in the community have been working with the City to manage projects and programs that assist lower income residents. A variety of support services in the areas of education, job-training, Homeless and senior and youth services augment the City's efforts in these areas.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Emergency Shelter Grant (ESG) funds are 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 sheltering programs for single individuals and families. For example, Interfaith Community Services received \$46,745 in FY 2011-2012.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

N/A

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities

1	Agency/Group/Organization	INTERFAITH COMMUNITY SERVICES
	Agency/Group/Organization Type	Housing Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Employment Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homelessness Needs - Veterans Homelessness Strategy

<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Escondido's homeless service providers have been very successful in competing for HUD Continuum of Care funds. The Continuum of Care program includes the former SHP and Shelter Plus Care programs, which were consolidated into one program by the HEARTH Act. Interfaith Community Services maintains direct HUD contracts totaling \$677,387 for FY 2013-2014. The grants are subject to annual renewal. These funds provide transitional housing and support services, or permanent supportive for homeless families and a variety of special populations. The Continuum of Care Program is a critical source of funding for Escondido's Continuum of Care. Workplace Investment Act (WIA) programs and the Homeless Veterans Reintegration Program (HVRP) are also offered within Escondido. Interfaith Community Services operates a variety of programs for veterans, which provide supportive services, case management, psychological counseling (including specialized PTSD/TBI treatment), and employment services. Interfaith has received over \$3,280,000 for WIA programs for veterans over the past 4 years. This includes a WIA-VEAP (Veterans Employment Assistance Program) grant (January 2009 – March 2013) for Recently Separated and Dislocated Veterans as well as other Veterans, in the amount of \$465,000 in 2011-13. Interfaith also receives HVRP grant funding in the amount of \$300,000 per year since 2009-10. Through the 2012-2013 fiscal year, Interfaith Community Services, through its Veterans Assistance of San Diego (VASD), will receive VA reimbursement funding for Escondido-based housing including Veterans transitional housing of 28 beds on Aster Street, the 44-bed Merle's Place transitional housing program, and a Recuperative Care program for twenty Veterans at a time in Escondido. The total annual dollars for these three programs is expected to be approximately \$1,925,366. Additional information on Homeless services provided by Interfaith Community Services can be found in section AP-65.</p>
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2	Agency/Group/Organization	ESCONDIDO EDUCATION COMPACT
	Agency/Group/Organization Type	Services-Children Services-Education Services-Employment Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Escondido Education COMPACT receives WIA funding to provide workforce development services (including education support, work-readiness training, work-based opportunities and youth leadership development) for youth ages 16 to 21 in Escondido and neighboring North County cities. COMPACT will be receiving approximately \$700,000 for the FY 2013-2014 to provide these youth services.
3	Agency/Group/Organization	COUNTY OF SAN DIEGO
	Agency/Group/Organization Type	Housing Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services-Employment Health Agency Child Welfare Agency Other government - County Grantee Department
	What section of the Plan was addressed by Consultation?	Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Non-Homeless Special Needs

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>The County of San Diego supports a wide range of services in Escondido that contribute to achieving the Consolidated Plan's community development objectives. The County's Aging and Independence Services division supports nutrition and transportation services for older adults in Escondido. In addition, mental health counseling and treatment, residential and non-residential alcohol/drug recovery services, juvenile diversion, child abuse prevention and public health services are all provided through County offices located in Escondido and through local nonprofit organizations supported with County funds. Shelter Plus Care funds, administered by the County of San Diego, provide transitional housing and support services for homeless individuals and families who are disabled, mentally ill, or substance abusers. Interfaith Community Services received \$206,783 for a one-year renewed sponsor-based contract. The County of San Diego HCD 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. This renewal process generally occurs each Spring-Summer.HHS funds essential services for programs with children, as well as domestic violence programs. A variety of programs are operated by Neighborhood Healthcare including medical, dental, behavioral health, pharmacy, HIV outreach, education and treatment for the uninsured.</p>
4	<p>Agency/Group/Organization</p>	<p>San Diego Workforce Partnership</p>
	<p>Agency/Group/Organization Type</p>	<p>Services-Employment Community Development Financial Institution</p>
	<p>What section of the Plan was addressed by Consultation?</p>	<p>Economic Development Anti-poverty Strategy</p>
	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>North County Inland Career Center receives WIA funding grants to operate its one-stop shop consolidated career center offering a variety of services for the unemployed and for those at risk. Ongoing programs at NCICC include case management, job skills assessment, occupational skills training, job search assistance and computer classes.</p>

5	Agency/Group/Organization	ESCONDIDO COMMUNITY CHILD DEVELOPMENT CENTER
	Agency/Group/Organization Type	Services-Children Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Youth
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Escondido Community Child Development Center will receive Department of Education funds totaling \$2,812,345. ECCDC has three licensed facilities with 105 employees. The Agency is partially 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 partially subsidized by the California Adult and Child Food Program (CACFP).
6	Agency/Group/Organization	CITY OF ESCONDIDO POLICE DEPARTMENT
	Agency/Group/Organization Type	Other government - Local Civic Leaders Grantee Department
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Suitable Living Conditions

<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>The City of Escondido Police Department successfully competes for grants for programs which support Consolidated Plan objectives. \$2.3 million in funds is being received from the U.S. Department of Justice Community Oriented Policing Services (COPS) Hiring Recovery Program Grant, which supports the City's priority to revitalize low-income neighborhoods through direct citizen involvement in improving the physical and social environment. By definition, community-oriented policing involves direct citizen participation. COPS officers work closely with Neighborhood Services and Code Enforcement to address neighborhood code violations, abandoned vehicles and engage in other neighborhood revitalization activities. The Escondido Police Department received a \$74,148 FY 2012 Operation Stonegarden Grant from the California Emergency Management Agency. Funds are used to support U.S. Department of Homeland Security Bureau of Customs and Border Protection efforts in the region to improve border security. This grant provides operational funding to enforce local and State laws within our jurisdiction to target human trafficking, narcotics trafficking, criminal alien gang activity, and weapons trafficking. The Escondido Police Department and Escondido Education COMPACT received a FY 2011 CalGRIP Program Grant in the amount of \$250,000 from the California Emergency Management Agency. Grant funds will be used over a two year period to support gang intervention, suppression and prevention programs. The Escondido Police Department received \$11,892 in Project Safe Neighborhood funds from SANDAG to work local gun suppression operations to keep illegal guns off Escondido's streets. The Escondido Police Department received a Safe Schools/Healthy Students (SS/HS) Initiative CARE Youth Project Grant of \$35,000 through the Escondido Union School District (EUSD). This is a federal program designed to prevent violence and substance abuse among the nation's youth, schools and communities. The grant covers salary and overhead expenses for a part-time Police Reserve Officer who will be assigned to work with EUSD to prevent gang violence in elementary and middle schools.</p>
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Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Interfaith Community Services	

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

A public hearing was held on March 19, 2014, to review and re-affirm CDBG priorities, adopted in the 2010-2015 Consolidated Plan and adopt an allocation process for CDBG funds for FY 14-15. Notice of the hearing was published in the local newspaper 15 days prior to the meeting. There were no speakers at this meeting related to the HOME allocation, the proposed Housing Division programs or projects, or the CDBG allocation.

A second public hearing was held on April 9, 2014, to consider and adopt the FY 14-15 Action Plan for HOME and CDBG funds. Notice of the hearing and a 30-day public comment period on the draft Action Plan document was published in English and Spanish in a local newspaper. A notice of the meeting and availability of the Action Plan draft also was placed on the Neighborhood Services and Housing Divisions websites 15 days prior to the meeting to reach affordable housing advocates, property managers of local affordable housing projects and other interested parties.

At the April 9, hearing there were XX speakers related to the HOME funds/allocation or proposed Housing programs or projects. In addition, there were no written or verbal comments received during the notice period related to the HOME or CDBG allocation, programs or projects. At the April 9, hearing there were XX speakers related to the proposed CDBG allocation.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Public Hearing	Non-targeted/broad community	2 public hearings were held.	There were no comments related to Housing programs or HOME allocation. There were no comments received at the first meeting and XX comments received at the second meeting relating to the CDBG allocations.		

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Newspaper Ad	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Residents of Public and Assisted Housing</p>		No comments received related to HOME or CDBG		
3	Internet Outreach	Non-targeted/broad community	Notice of availability of Draft Action Plan and notice of public hearings was placed on the City website.	No comments were received related to the Housing program, HOME allocation or CDBG allocation.		

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c) (1, 2)

Introduction

The formula program allocations were released on March 24, 2014. The City of Escondido HOME program allocation will be \$470,406 in FY 14-15, which is a 7% increase from FY 2013 levels. Escondido's CDBG formula allocation for FY 14-15 is \$1,452,348.

The City anticipates receiving \$470,406 in HOME allocation funds and \$179,514 in HOME Program Income to be available in FY 14-15. During FY 13-14, Program Income received was \$179,514 and recaptured income was \$62,434. Ten percent of the Allocation, or \$47,040, will be used for administrative costs. Ten percent of the previous Program Income will also be used for administrative costs. As required under the HOME Final Rule, the City will expend no more than ten percent of the HOME allocation on administrative costs.

Although Redevelopment Tax-Increment Set-Aside funds are no longer available to the City for affordable housing purposes, the Housing Section does anticipate some additional funds to be available to provide affordable housing in FY 14-15. \$350,000 in loan repayments are anticipated to be available, in addition to an ERAF repayment of \$694,975. The City Housing Section will continue to pursue additional funding sources for affordable housing, including government sources, grants and private funding.

The City does not anticipate receiving any Program Income in FY 14-15 for the CDBG Program.

Priority Table

Program	Source of	Uses of Funds	Expected Amount Available Year 1	Expected	Narrative Description
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	Funds		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Amount Available Reminder of ConPlan \$	
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,452,348	0	0	1,452,348	1,452,348	Prior year resources are unknown at this time. That amount will be calculated at the end of our fiscal year.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	470,406	179,514	0	649,920	0	It is unknown what future HOME allocations will be in the final year of the 2010-2015 ConPlan.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City of Escondido's policy is to use Federal Grant Allocation funds for CDBG and HOME to leverage additional resources, both private and public. The City encourages shared funding arrangements with agencies or sub-recipients requesting CDBG or HOME funds. When evaluating

projects and services to be funded with CDBG and HOME funding, the developer/provider's ability to leverage and contribute other resources is heavily considered. In the past the City has leveraged HOME funds with NSP funds, Tax Credits, Redevelopment tax increment funds and private mortgages. The Housing Section will continue to seek out additional sources of affordable housing funding.

CDBG funding has been leveraged with in-kind resources from neighborhood groups. Leveraging funds will continue to be a priority.

The National Affordable Housing Act of 1990 requires matching, permanent contributions in the HOME program. The City of Escondido is required to provide a match of no less than 25 percent of the total HOME funds drawn down for project costs. The City of Escondido has been over-subscribed in Match requirements for more than ten years. According to the most recent HOME Match Report (form HUD-40107A), the City has an excess match from previous years of \$2,772,040.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Housing-None known at this time.

CDBG - None

Discussion

The City of Escondido anticipates receiving a HOME program allocation for FY 14-15 approximately 7% higher than in FY 13-14.

The City's CDBG allocation will be reduced slightly; however, this reduction will not impact service levels this fiscal year

The City will continue to seek additional, alternate funding sources to leverage federal funds to be able to continue providing housing and public services and programs.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase number of homeowners	2010	2014			Increasing Homeownership	CDBG: \$0 HOME: \$514,368	Homeowner Housing Added: 2 Household Housing Unit Direct Financial Assistance to Homebuyers: 18 Households Assisted
2	Provide additional affordable rental units	2010	2014			Expanding stock of affordable rental housing Expanding supply of 3- and 4-bedroom rental units	HOME: \$0	Rental units constructed: 23 Household Housing Unit
3	Assist low-income renters with subsidies	2010	2014			Increasing length of stay in rental housing	CDBG: \$0 HOME: \$0	Tenant-based rental assistance / Rapid Rehousing: 85 Households Assisted
4	Assist with rehabilitation of existing units	2010	2014			Conserving supply of existing ownership housing	CDBG: \$0 HOME: \$0	Homeowner Housing Rehabilitated: 22 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Support education and recreation opportunities	2010	2015		MISSION PARK NEIGHBORHOOD	Youth and Families	CDBG: \$45,000	Public service activities other than Low/Moderate Income Housing Benefit: 300 Persons Assisted
6	support programs providing services to youth	2010	2015		MISSION PARK NEIGHBORHOOD	Youth and Families	CDBG: \$10,000	Public service activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted
7	Support adult education and job training	2010	2015		MISSION PARK NEIGHBORHOOD Neighborhood Groups	Economic Development	CDBG: \$21,000	Public service activities other than Low/Moderate Income Housing Benefit: 300 Persons Assisted
8	Support senior services	2010	2015			Transportation for Seniors	CDBG: \$86,000	Public service activities other than Low/Moderate Income Housing Benefit: 1300 Persons Assisted
9	Capital Improvements	2013	2013		Neighborhood Groups	Neighborhood Revitalization	CDBG: \$497,070	
10	Neighborhood Revitalization	2010	2015		MISSION PARK NEIGHBORHOOD WESTSIDE NEIGHBORHOOD Neighborhood Groups	Neighborhood Revitalization	CDBG: \$580,000	

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	Support Homeless Services	2010	2015			Homelessness	CDBG: \$31,000	Public service activities other than Low/Moderate Income Housing Benefit: 40 Persons Assisted
12	ADA Improvements	2010	2015			ADA Improvements		

Table 6 – Goals Summary<TYPE=[text] REPORT_GUID=[9B4786E64DDAC839A8E119B13CB7DB46]>

Goal Descriptions

1	Goal Name	Increase number of homeowners
	Goal Description	The City of Escondido proposes to provide assistance to first-time homebuyers to purchase home. In addition, the City may provide additional subsidized ownership units.
2	Goal Name	Provide additional affordable rental units
	Goal Description	The City proposes to expand the stock of affordable rental housing, including 3- and 4-bedroom units.
3	Goal Name	Assist low-income renters with subsidies
	Goal Description	The City proposes to continue to offer rental subsidies for seniors and the disabled living in rental housing.
4	Goal Name	Assist with rehabilitation of existing units
	Goal Description	This goal could include rehabilitation of individual owner-occupied single-family residences or mobilehomes for lower income residents, or assisting with rehabilitation of an existing structure for use for affordable housing. Funding sources are uncertain at this time. The City is seeking funding to be able to meet this goal in FY 14-15.
5	Goal Name	Support education and recreation opportunities
	Goal Description	the city will continue to support educational and recreational activities for youth as needs and gaps in services are identified with a specific focus in the Mission Park area.

6	Goal Name	support programs providing services to youth
	Goal Description	The City will continue to support the Food 4 Kids Backpack Program which provides weekend food packages to chronically hungry elementary school children
7	Goal Name	Support adult education and job training
	Goal Description	The City will continue to support the Workforce Assistance Career Center and Bilingual Computer classes. Both focus on training and job readiness.
8	Goal Name	Support senior services
	Goal Description	The City will continue to support much needed core senior services such as transportation, nutrition programs and and referral services.
9	Goal Name	Capital Improvements
	Goal Description	
10	Goal Name	Neighborhood Revitalization
	Goal Description	
11	Goal Name	Support Homeless Services
	Goal Description	The City will continue to support the Regional Winter Shelter
12	Goal Name	ADA Improvements
	Goal Description	The City will include ADA improvements in the design and construction of all capital improvement projects.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

It is estimated that the City of Escondido will assist 150 extremely low-income, low-income and moderate incomes families in Escondido by providing affordable housing during FY 14-15.

AP-35 Projects – 91.220(d)

Introduction

Three Housing Projects are proposed for the upcoming year to meet the goals and priority needs identified in the Consolidated Plan. The projects have not changed from the previous two years and include a first-time homebuyer loan program, housing development, CHDO set-aside and administration activities.

The City of Escondido Neighborhood Services Division will serve as the lead agency in the administration of all CDBG projects proposed in this plan. The City will contract with local nonprofit agencies and organizations to administer public service and fair housing activities in addition to administering some projects directly. Contract agencies (subrecipients) will be responsible for program implementation. Contract performance will be monitored by the City of Escondido.

#	Project Name
1	Homebuyer Entry Loan Program
2	Further Housing Development
3	CHDO Set-Aside and Administration
4	Public Services
5	Street Improvements
6	Neighborhood Revitalization
7	CDBG Admin
8	Fair Housing
9	Unprogrammed Funds

Table 7 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Two of the main housing priorities previously identified are increasing homeownership and increasing/improving supply of affordable rental housing. The reason for the priorities remains the same: the low rate of homeownership in Escondido and the high level of overpayment for housing among lower income renters. The Housing Section's allocation priorities for providing affordable housing will remain the same in the upcoming year, although available funding sources have been reduced. In January 2012, the City of Escondido lost one of its main affordable housing funding sources when the State of California eliminated Redevelopment Agencies and the 20% housing set-aside fund for affordable housing. Although the City's affordable housing priorities have not changed, this funding loss is an obstacle to continuing to serve the number of lower income residents as previously. The City continues to seek additional funding sources to continue meeting its identified housing goals and priorities.

Projects

AP-38 Projects Summary

Project Summary Information

1	Project Name	Homebuyer Entry Loan Program
	Target Area	
	Goals Supported	Increase number of homeowners
	Needs Addressed	
	Funding	HOME: \$400,000
	Description	Provide a low interest loan which can be used toward the down payment or closing costs for first time homebuyers.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Provide a low interest loan which can be used toward the down payment or closing costs for first time homebuyers.
	2	Project Name
Target Area		
Goals Supported		Provide additional affordable rental units
Needs Addressed		
Funding		HOME: \$1,792,784
Description		Funds to be used for planning and/or development of future affordable housing project.
Target Date		

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Funds to be used for planning and/or development of future affordable housing project.
3	Project Name	CHDO Set-Aside and Administration
	Target Area	
	Goals Supported	Increase number of homeowners Provide additional affordable rental units
	Needs Addressed	
	Funding	HOME: \$306,706
	Description	Mandatory CHDO set-aside and administrative costs associated with potential new project development.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Mandatory CHDO set-aside and administrative costs associated with potential new project development.
4	Project Name	Public Services
	Target Area	
	Goals Supported	Support education and recreation opportunities support programs providing services to youth Support adult education and job training Support senior services Support Homeless Services
	Needs Addressed	Youth and Families Economic Development Transportation for Seniors Homelessness

	Funding	CDBG: \$196,630
	Description	The City will contract with local nonprofit agencies and organizations to administer public services in addition to administering some projects directly.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Learn to Swim Exceptional Promise Scholarship Workforce Assistance Career Center Senior Transportation Senior Nutrition Senior CARE Project Meals on Wheels Bilingual Computer Training Food 4 Kids Backpack program Winter Homeless Shelter
5	Project Name	Street Improvements
	Target Area	
	Goals Supported	Capital Improvements ADA Improvements
	Needs Addressed	Neighborhood Revitalization ADA Improvements
	Funding	CDBG: \$272,070
	Description	Comprehensive street improvement projects consisting of new curbs, gutters, retaining walls, sidewalks, street lights and new surfacing of streets
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Grape Street Improvement Project
6	Project Name	Neighborhood Revitalization
	Target Area	

	Goals Supported	Neighborhood Revitalization ADA Improvements
	Needs Addressed	Neighborhood Revitalization ADA Improvements
	Funding	CDBG: \$580,000
	Description	Neighborhood revitalization is identified as one of the City's key community development priorities in the FY 2010-2015 Consolidated Plan, and is intended to improve identified low-income areas, including the Mission Park area, the Westside area and other low-income neighborhoods. The City of Escondido's revitalization strategy focuses on efforts that are neighborhood-based with a high level of involvement by residents, businesses and human service agencies.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Code Enforcement, Grants to Blocks, Escondido Creek Trail Improvements, Project NEAT, Non public Service Graffiti Removal (Private property only), and Escondido Community Child Development Center Security Improvements
7	Project Name	CDBG Admin
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$282,817
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	

	Planned Activities	Administration of the CDBG grant
8	Project Name	Fair Housing
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$13,773
	Description	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.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Fair Housing
9	Project Name	Unprogrammed Funds
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$137,683
	Description	un-programmed Funds to be used at a later date
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	None - Due to our 2013 allocation coming in higher than anticipated, these funds are unprogrammed at this time and will be used on future projects.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Based on income and demographic data supplied by HUD, the City's low- and moderate-income households by block group and census tract are concentrated in the downtown area. Based on information obtained from SANDAG in 2011 48.8% of the population is Hispanic, 40.4% white, 2.1% African American, 0.5% Native American, 6.1% Asian, Hawaiian/pacific Islander and 2.1% Mixed/Other with a total population of 146,057 and a median income of \$56,261.

Geographic Distribution

Target Area	Percentage of Funds
MISSION PARK NEIGHBORHOOD	
WESTSIDE NEIGHBORHOOD	
Neighborhood Groups	

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City's current neighborhood revitalization strategy is based on past experiences and successes and focuses on improvement efforts in identified low-income areas that are neighborhood-based and include a high level of involvement by residents, property owners and business owners. It has been found that this level of involvement in the prioritization of improvements is paramount to the success of every neighborhood-based project, and is responsible for the manifestation of numerous added benefits including sustained organization of neighborhood-based groups.

Discussion

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The City of Escondido plans to use its affordable housing resources, including HOME funds, grants, private funding, and other sources to provide affordable housing to as many lower income residents of Escondido as possible. The HOME allocation for fiscal year 14-15 will be used to continue the City's first-time homebuyer program to increase the number of homeowners. Additionally, a portion of the allocation will be used for housing development to assist a private developer(s) to provide additional affordable rental or ownership housing. It is anticipated that the City will be able to obtain alternative funding to continue operating the rental subsidy program for very-low income seniors and disabled persons, and possibly begin a new homeowner rehabilitation program to help preserve existing homeowner stock.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	0
Special-Needs	0
Total	0

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	0

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

The City of Escondido expects to continue its rental assistance/subsidy program for seniors and the disabled in FY 14-15 using Successor Housing Agency or other funds. Previously this program was funded with Redevelopment Agency Tax Increment funds. The number of persons assisted by the program is anticipated to be approximately 110 annually.

The City hopes to be able to fund a homeowner rehabilitation program again, after discontinuing the previous program due to a loss of funding. Funds are uncertain, and grant funding has so far not been available. The City continues to pursue funding specifically for the program.

AP-60 Public Housing – 91.220(h)

Introduction

The City of Escondido is not a Public Housing Authority and there is no public housing in the City of Escondido. The County of San Diego administers the Housing Choice Voucher program (formerly Section 8 rental assistance) to low-income Escondido residents in need of affordable housing.

Actions planned during the next year to address the needs to public housing

The City of Escondido will continue to support the County of San Diego's efforts to serve Escondido residents with Housing Choice Vouchers.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

N/A

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

Discussion

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Support for Escondido's homeless individuals and families will continue in FY 2014-2015 through participation on regional boards, commissions and other discussion forums which ensure support for the series of programs that constitute Escondido's Continuum of Care.

At its entry point, the Continuum consists of basic survival services such as food, clothing, shelter and case management. Additional services include job training and placement, life skills training, childcare, support groups and residential care. These projects are part of Escondido's Continuum of Care for the homeless and are primarily funded through the Supportive Housing Program and supplemented with CDBG and other federal, state and private resources. These resources are listed and described in the Consultation section of this report.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The One-Year Action Plan includes the Regional Winter Shelter program, providing \$31,635 in funds which, leveraged with funds from several other cities in the region, provide emergency shelter for 40 men and women during the cold winter months.

Addressing the emergency shelter and transitional housing needs of homeless persons

In FY 13-14 the City of Escondido amended its Zoning Code to allow year-round emergency shelters in a zoning category without discretionary review, consistent with the requirements of State SB2. Shelters are now permitted without a Conditional Use Permit (CUP) in a 74-acre portion of the M-1 zone. In FY 14-15 the City will amend the Zoning Code to differentiate between transitional and permanent supportive housing operated as group quarters versus a regular housing development, consistent with State law. Any conditions would be similar to those of similar uses, so as not to constrain development of such uses. Both these changes will help to provide additional opportunities for homeless shelters and transitional housing. The City also will continue to assist non-profits in making applications for grants and other funding for providing transitional and supportive housing.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that

individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The Spruce Street Project has provided stabilization, support services and transitional housing with a capacity to support 34 homeless adult individuals with alcohol, drug and/or mental health problems. Interfaith Community Services is the lead agency and has leased the City-owned property on Spruce Street for the past 16 years. In January 2011, the City terminated the lease for the purposes of future redevelopment and the terms of the lease transitioned to a month to month basis. On January 25, 2011 the City issued notice to the leaseholder extending the lease until June 30, 2011 with no change in rent. There were subsequent extensions, with the final extension running until August 15, 2013, subject to monthly rental payment to the City. By this date the project must have relocated out of Escondido; at this writing, no relocation site has been secured. The Escondido New Resolve project will be supported by VA Homeless Grant funds, resident rent, and Parolee Partnership funds. The Veterans Village of San Diego is the lead agency for this 44-bed transitional housing and supportive services project, which houses 33 homeless veterans and 11 homeless non-veterans. Residents participate in a variety of programs, including drug treatment, mental health services for trauma and other problems, and job training and placement. Genesis I and II are transitional housing projects for homeless families with children. Interfaith Community Services is the grantee. A one year Continuum of Care program renewal grant for Genesis I (\$103,415) and a one-year grant for Genesis II (\$63,672) that began in January 2013 and March 2013, respectively, maintain these 92 beds. The renewal grants support intensive case management, vocational rehabilitation, psychological counseling and life skills training to help homeless families achieve self-sufficiency. Interfaith receives an annual \$81,415 in HUD Continuum of Care funds for the CASA program, which serves women and children with a disability and/or a history of domestic violence. This is a transitional housing program with intensive case management and related support services. Interfaith also receives an additional Continuum of Care grant, funding sixteen permanent supportive housing beds for homeless and chronically homeless older adults ages 55+ with disabilities. This grant, Raymond's Refuge II, is for \$85,211 and covers the period of May 2013 to April 2014. Renewal for this grant will be submitted upon release of the HUD 2013 NOFA. Federal FEMA funding, in combination with other HUD monies and private donations, are also used to address the City's priority homeless needs. Interfaith Community Services received, FEMA assistance consisting of 27,853 pounds of food for pantry distribution, valued at \$28,979, \$15,441 reimbursement for congregate meals, \$15,582 rent/mortgage assistance, \$17,346 motel/hotel vouchers and \$1,745 utility assistance.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

the City will support the Workforce Assistance Career center which provides unemployed and underemployed individuals assistance with job applications, writing resumes, applying online for jobs and unemployment benefits and locating housing and other workforce related community resources. In addition we will continue to offer beginner and intermediate bilingual computer classes to low income individuals to assist with job readiness.

Discussion

One year goals for the number of households to be provided housing through the use of HOPWA for:
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family
Tenant-based rental assistance
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds
Total

AP-75 Barriers to affordable housing – 91.220(j)

Introduction

In Escondido, and Southern California in general, the greatest barrier to affordable housing continues to be cost. Although the recent drop in home prices has opened up some additional opportunities for first time homebuyers, rising prices and higher interest rates have again affected first-time homebuyers. The rate of homeownership in Escondido is 54 percent, which is lower than the state and national averages of 57 percent and 67 percent respectively, as reported in the 2010 Census. In order to mitigate some of the barriers to affordable housing, the City plans to provide assistance to low-income homebuyers and perform amendments to the Zoning Code related to affordable housing.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City of Escondido continues to experience barriers to affordable housing as identified in the Consolidated Plan, including governmental constraints, market conditions, lack of funding sources, and land and construction costs. Land and construction costs are not controlled by the City. The City does have the ability to introduce actions to minimize the influence of governmental constraints on affordable housing, however. In FY 14-15 the City of Escondido plans to continue to amend the Zoning Code in several ways to implement goals in the recently adopted Housing Element, consistent with State law. Each of the proposed Zoning Code amendments will remove a barrier to affordable housing. The first amendment was completed in FY 13-14 and will permit year round homeless shelters by right, without discretionary review, in at least one zoning designation. Another Zoning Code amendment is proposed to facilitate development of senior housing, by permitting senior housing by right where housing is permitted. The third proposed Zoning Code amendment would differentiate transitional/supportive housing operated as group quarters versus a regular housing development. Such uses will be permitted and only subject to those restrictions that apply to other residential uses of the same type in the same zone. The last proposed Zoning Code amendment would amend the City's Density Bonus Ordinance to be consistent with the state density bonus law, providing additional opportunities for low and moderate income households.

Discussion

Many changes to the Zoning Code are planned in the upcoming year to remove barriers to providing and maintaining affordable housing. The City will continue to monitor and review existing and new policies and ordinances to remove any identified barriers to affordable housing.

AP-85 Other Actions – 91.220(k)

Introduction

The City plans to provide affordable housing to low income residents of the community while overcoming any obstacles that can be addressed. Affordability will be maintained in affordable housing produced by the City in conjunction with private developers, through recorded regulatory agreements. The City will assist in preserving existing affordable housing with and without a deed restriction whenever possible by coordinating with non-profits, housing developers and project owners. The City also will address lead-based paint hazards in affordable housing.

The nation-wide economic crisis is the largest issue impacting the ability of local jurisdictions to meet community needs. Increased unemployment coupled with decreased home values led to unprecedented foreclosure rates forcing even more people to live in overcrowded conditions. Recently, as home prices and interest rates have risen, housing is again more unaffordable to many. In addition, cash buyers are impacting the first-time homebuyer market, as are the FHA requirements for Condominium complexes. Many complexes have a majority of renters rather than owners making an FHA loan impossible. A major obstacle for the City of Escondido in meeting underserved needs is the lack of adequate resources to meet the growing financial needs of low and moderate income persons. Although there have been improvements in the economy, there are more lower income residents seeking assistance, needs are more extensive and there is an increasing population that does not meet the definition of low-income required to receive assistance who cannot meet monthly obligations. Government bodies have huge budget deficits and must cut social programs which further impact the ability of residents to obtain needed services.

Actions planned to address obstacles to meeting underserved needs

Response to the City's first-time homebuyer program has generally been high, although the ability of first-time homebuyers to qualify has decreased recently. The Housing Section plans to increase participation by active lenders who would work with low-income buyers by providing new lender training. The City also plans to review the requirements of the program for appropriateness, including local residency. A large portion of HOME funds will go toward providing additional first-time homebuyer loans in FY 14-15.

The other obstacle the Housing Division sees to meeting the affordable housing needs of the lower income population is funding. The Division will work diligently to identify additional sources of funding to replace those that have been recently lost or reduced, in order to continue existing programs and restart one that was recently discontinued.

The City will continue to use CDBG funding to support neighborhood activities, senior programs, and projects that will assist these populations. The City will also proactively seek additional resources to meet the underserved needs.

Actions planned to foster and maintain affordable housing

When the period of affordability of an existing affordable housing project is nearing an end, the City has worked with the owners of the project to try to extend the regulatory agreements and affordability period, maintaining the affordable housing stock. The City has several options available to preserve affordability, including providing incentives to the owner or refinancing an existing mortgage. In addition, project-based Section 8 assistance can be converted to tenant-based assistance for a project, and the city would encourage owners of a complex completing their Section 236 loans to do so.

Available options to extend affordability for a specific project that the City does not plan to take at this time include providing rent subsidies and constructing replacement units.

Actions planned to reduce lead-based paint hazards

The City of Escondido is committed to addressing lead-based paint hazards. Federal law requires lead-based paint disclosure and education prior to leasing, renting, selling or purchasing most pre-1978 housing. The city follows disclosure and warning requirements about lead-based paint, including incorporation of the "Protect Your Family From Lead in Your Home" pamphlet, which is available to the public. The City will conduct required lead-based paint related activities for all HOME funded activities under Title X regulations, such as paint testing, risk assessment, hazard reduction, or abatement and clearance. City staff will continue to attend meetings, seminars and training regarding lead-based paint hazard testing and reduction, when possible.

Actions planned to reduce the number of poverty-level families

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, continues 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. 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.

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

Actions planned to develop institutional structure

Housing and Community Development programs in the City of Escondido will be implemented by an institutional structure that includes public institutions, nonprofit organizations and private industry. Joint collaboration will exceed the capacity of any individual agency. The capacity of individual agencies includes people and resources to assist in the development, implementation and monitoring of housing and community development programs. The City's Housing Section, within the Community Development Department, has the primary responsibility of carrying out affordable housing programs and implementing HOME program requirements. The City's Neighborhood Services Division, part of the Public Works Department, has primary responsibility for administering the CDBG program.

The City will contract with local nonprofit organizations to administer public service and fair housing activities, as well as administering some projects directly. Where applicable, contract agencies will be responsible for program administration. Contract performance will be monitored by the City of Escondido.

The City will contract with local housing developers and lending institutions to help implement

proposed housing programs.

Housing and Neighborhood Services staff, in addition to staff from the City's Engineering, Planning, Building, Code Enforcement and other divisions, meet periodically to discuss physical development of projects, as well as uses of HOME and CDBG funds. This provides an effective method of coordinating the various departments, staff, programs, and funding sources to be used in the jurisdiction.

Actions planned to enhance coordination between public and private housing and social service agencies

The City will work closely with other public and private agencies to implement and coordinate the objectives and programs for producing and preserving affordable housing and meeting community development needs.

The City consistently works with two nonprofit organizations in Escondido that are currently certified as Community Housing Development Organizations (CHDOs), San Diego Habitat for Humanity and Community HousingWorks. This certification promotes better coordination of available HOME funds for development of affordable housing.

The City of Escondido has long been committed to fostering relationships with local community groups. Several nonprofit organizations in the community have been working with the City to manage projects and programs that assist lower income residents. A variety of support services in the areas of education, job-training, and assistance in obtaining permanent housing augment the City's efforts in these areas.

Discussion

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction

To accommodate current trends in the housing market, including the number of foreclosures and short sales, the City recently revised the loan documents for the HELP first-time homebuyer program to protect the city's HOME funds. The documents specifically include required provisions of section 982.254, such as recapture requirements and affordability periods. The City also has a HOME loan servicing plan which addresses HUD affordability requirements.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

None

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City imposes recapture requirements that comply with the HOME Final Rule under Title 24 section 92.254. If a property that is assisted with HOME funds is no longer owner-occupied, is refinanced or is sold during the first ten years, the homeowner is responsible for repaying the entire principal amount plus interest to the City. Interest is forgiven after ten years, but repayment of principal is still required. Recaptured funds are re-invested by the City into the HELP first time homebuyers program, a HOME-eligible activity.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The City imposes recapture requirements that comply with the HOME Final Rule under Title 24 section 92.254. If the property that is assisted with HOME funds is no longer owner-occupied, is refinanced or is sold during the first ten years, the homeowner is responsible for repaying the entire principal amount plus interest to the City. Interest is forgiven after ten years, but repayment of principal is still required. Recaptured funds are re-invested by the City into the HELP first time homebuyers program. Since the maximum amount loaned in the first-time homebuyers program is the lesser of \$25,000 or 5 percent of the purchase price, the required affordability period of 24 CFR 92.254(a)(4) is ensured.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

None

Discussion

The City of Escondido has a HOME loan servicing plan, which is in conformance with all HUD requirements. The plan preserves the City's financial interest in properties whose borrowers have been assisted with public (HOME) funds. The plan includes loan repayments, and processes for subordinations, short sales and foreclosures. The City also meets all HOME Final Rule requirements for Resale and Recapture Provisions.