

CITY COUNCIL

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Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 26

Date: March 24, 2010

TO: Honorable Mayor and Members of the City Council

FROM: Jerry Van Leeuwen, Director of Community Services
Roni Keiser, Housing Manager
Rich Buquet, Neighborhood Services Manager

SUBJECT: Public Hearing to approve a fourth amendment to the FY 2009-2010 One-Year Action Plan for CDBG; public hearing on the FY 2010-2011 Consolidated Plan and FY 2010-2011 One-Year Action Plan for use of HOME and Community Development Block Grant (CDBG) Funds; public hearing to approve the Citizen Participation Plan; approve fifth amendment to the FY 2008-2009 One-Year Action Plan for CDBG; approve third amendment to the FY 2009-2010 One-Year Action Plan for CDBG; and authorize the Community Services Director and City Clerk to execute agreements for use of CDBG funds

RECOMMENDATIONS:

1. Conduct a public hearing to approve a fourth amendment to the FY 2009-2010 One-Year Action Plan for CDBG funds to use \$37,000 in unprogrammed funds to create Project NEAT (Neighborhood Enhancement, Awareness and Training);
2. Solicit and consider citizen input on the Consolidated Plan and the FY 2010-2011 One-Year Action Plan for CDBG and HOME funds;
3. Adopt Resolution No. 2010-39, approving the Five-Year Consolidated Plan (FY 2010-2015) and the FY 2010-2011 One-Year Action Plan for the allocation of CDBG and HOME funds and approve their submittal to the U.S. Department of Housing and Urban Development (HUD);
4. Solicit and consider citizen input on and approve the Citizen Participation Plan;
5. Approve a fifth amendment to the FY 2008-2009 One-Year Action Plan for CDBG funds to transfer \$41,250 in unused funds from the Elm to Hickory Streetlights Design project to the Escondido Creek Improvement project; and
6. Approve a third amendment to the FY 2009-2010 One-Year Action Plan for CDBG funds to transfer an additional \$51,250 in unprogrammed funds into the Escondido Creek Improvement project.

Project NEAT - 4TH Amendment to the FY 2009-2010 One-Year Action Plan for CDBG

Project NEAT (Neighborhood Enhancement, Awareness and Training) is a new project allocation for the remainder of FY 2009-2010. Funding is also recommended for this project in the proposed 2010-2011 One-Year Action Plan.

Activities of Project NEAT will include working with neighborhood groups in eligible areas to resolve potential code compliance issues before they reach the level of an actual code case for the City's Code Enforcement Division. This will be done with active participation of the neighborhood residents and volunteer groups providing labor resources, and by utilizing existing CDBG programs such as Grants to Blocks, annual neighborhood cleanups, the Minor Home Repair program and the Housing Division's home rehab loan program. Project NEAT will include working with the residents to educate them on compliance issues, "raising the norms" for their neighborhoods and providing mediation where necessary to avoid the need for full City Code Enforcement involvement. Project NEAT will also closely coordinate with the Escondido Police Department's gang intervention and graffiti efforts in these areas.

FISCAL ANALYSIS:

The City of Escondido receives annual formula allocations of CDBG program funding from the U.S. Department of Housing and Urban Development (HUD). All program and program administration expenses are paid with CDBG funds and do not impact the City's general fund.

PREVIOUS ACTIONS:

On May 4, 2005, City Council adopted the FY 2005-2010 Consolidated Plan, which established priorities over the five-year period for use of federal funds (including HOME and CDBG) to benefit low-income persons in the City of Escondido.

On April 22, 2009, Council adopted the FY 2009-2010 One-Year Action Plan for CDBG and approved its submission to HUD.

FY 2010 – 2015 Five-Year Consolidated Plan and FY 2010 – 2011 One-Year Action Plan

FISCAL ANALYSIS:

The City of Escondido receives annual formula allocations of HOME and CDBG program funding from HUD. All program and program administration expenses are paid with HOME and CDBG funds and do not impact the City's general fund.

Over the next five years of the Consolidated Plan period (2010-2015), the City anticipates receiving approximately \$13.7 million from the two HUD entitlement programs (based on an estimated 2% increase each year) for housing and community development programs to benefit low- and moderate-income persons and families.

For FY 2010-2011, the City expects to receive \$2,649,506 in federal entitlements, which includes a \$1,732,912 CDBG allocation and a \$916,594 HOME allocation.

GENERAL PLAN ANALYSIS:

This action is in compliance with the City's General Plan objectives. The Consolidated Plan is consistent with the Housing and Human Services Elements of the General Plan. These elements contain policies addressing housing affordability, the balance between rental and ownership housing, provision of adequate community services and facilities and improving the quality of life for all Escondido residents.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

The goals of the proposed FY 2010-2015 Consolidated Plan and the FY 2010-2011 One-Year Action Plan incorporate those of the City Council Action Plan which is committed to a collective vision for Escondido's future and describes the key activities that will be used to achieve that vision. The Consolidated Plan and One-Year Action Plan support the economic development and infrastructure and public facilities activities of the City Council Action Plan as they pertain to low-income Escondido residents.

PREVIOUS ACTIONS:

On January 19, 2005, City Council adopted the community development priorities of the FY 2005-2010 Consolidated Plan. The approved community development priorities included the following categorical areas: youth, economic development, transportation for seniors, neighborhood revitalization, homelessness and ADA improvements to public facilities.

On May 4, 2005, City Council adopted the FY 2005-2010 Consolidated Plan, which established priorities over the five-year period for use of federal funds (including HOME and CDBG) to benefit low-income persons in the City of Escondido.

On November 18, 2009, the City Council held a public workshop at which the FY 2005-2010 Consolidated Plan priorities were presented and proposed to be carried forward for the next five year period. Citizen input was collected and recorded in favor of carrying forward the priorities for the FY 2010-2015 Consolidated Plan period.

SUMMARY OF THE CDBG REVIEW PROCESS:

The City of Escondido accepts applications for CDBG funding throughout the year. A description of the CDBG funding process and resources for technical assistance are posted on the City's Web site and provided by staff upon request. Three (3) applications were received for FY 2010-2011 CDBG funds. Staff reviewed the applications for completeness and eligibility. Recommendations for projects to be funded in FY 2010-2011 are included as an attachment to this report.

LOCATION:

Federal entitlements under the Consolidated Plan are targeted for low- and moderate-income residents throughout the City, with geographic concentration of resources in targeted low-income areas where appropriate.

ENVIRONMENTAL STATUS:

The Consolidated Plan is exempt from CEQA pursuant to Section 15061(b)(3), General Rule. Specific projects funded with CDBG and HOME programs are subject to separate environmental review.

BACKGROUND:

Five-Year Consolidated Plan for the use of CDBG and HOME funds

The Consolidated Plan identifies the funding priorities for housing and community development during the next five years. The priorities are based on an analysis of Escondido's housing and community development needs, HUD priorities and regulations, City Council priorities and community input.

On November 18, 2009, a City Council public workshop was held at Mission Middle School to present accomplishments that have occurred in the Mission Park area over the last five years as a result of the FY 2005-2010 Consolidated Plan priorities, and solicit public feedback on the recommendation of continuing the work that was initiated in 2005.

Based on public feedback collected at the November workshop, in ongoing meetings with neighborhood groups, input from community members and input from City Council, staff does not recommend any revisions to the housing and community development priorities adopted by the City Council on January 19, 2005. While revisions to the priorities are not recommended, some priorities, such as youth and economic development, will have greater emphasis due to identified emerging needs.

Funding priorities for the five-year period are listed on pages 6 through 8 of the Consolidated Plan Executive Summary (Attachment A).

One-Year Action Plan for the use of CDBG and HOME funds

Based on public feedback collected at the November 18, 2009 workshop, in ongoing meetings with neighborhood groups, input from community members and input from City Council, staff developed the FY 2010-2011 One-Year Action Plan (see Attachment B). This is the first year of the five year period covered by the FY 2010-2015 Consolidated Plan.

HOME Funds

The City anticipates receiving \$916,594 in HOME funds for FY 2010-2011. Ten percent of that amount and ten percent of the projected program income (\$106,659) is reserved for the City's costs of administering the program.

A minimum of 15 percent of the annual allocation of HOME Program funds must be reserved for the housing development activities of Community Housing Development Organizations (CHDOs). A total of five percent of the HOME grant may also be used to provide operating funds to certified CHDOs, but is not required to be used for that purpose. HOME Program funds must be committed or reserved within two years and expended within five years (see Attachment C).

FY 2010-2011 Housing Activities

A variety of programs and projects will be utilized during the FY 2010-2011 to address the priorities of the Consolidated Plan. The programs proposed for HOME funding in FY 2010-2011 are identified on Attachment "A" and discussed above under Budget Analysis. There are six identified housing priorities, many of which overlap and could be achieved within the same activities. As listed in the draft Consolidated Plan, they 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 housing units; and, 6) Expanding the supply of three- and four-bedroom rental units.

Priorities 1 and 2 relate to the need for homeownership in Escondido. The rate of homeownership in Escondido is lower than the national average of 66 percent as reported by the 2000 Census. The FY 2010-2011 One-Year Action Plan addresses the need to reduce turnover rates and increase a sense of ownership within the community. The issuance of Mortgage Credit Certificates (MCCs) and HELP (Homebuyer Entry Loan Program) loans to assist first-time homebuyers in the purchase of their homes will contribute to the increase. The Consolidated Plan's objective is to assist approximately 13 households per year with HELP loans and assist four households per year with MCCs. However, due to the surge of home loan foreclosures and proportionate need for home loan assistance, staff is

recommending the funding of a minimum of 27 HELP loans with available Housing Development HOME funds (\$781,616) identified in the budget. The recommended allocation of \$675,000 would provide for 73 loans at an average of \$9,200 per loan. The remaining Housing Development funds (\$106,616) would be reserved for further housing development.

Lower-income owner-occupants who live in substandard units have been designated a high priority for assistance in maintaining their homes. In keeping with the Consolidated Plan, the City expects to fund an average of 25 owner-occupied, single-family and mobilehome rehabilitation loans each year. Funding of loans will be accomplished with Housing Set-Aside Funds.

Priorities 3, 4, 5 and 6 relate to the improvement of the supply of rental housing in the City to meet the needs of Escondido residents. The Consolidated Plan cites overpayment for housing as a widespread housing problem in Escondido, especially among lower-income renters. Additionally, the rate of overcrowding is especially acute for large-related renter households. This trend reflects in part the limited supply of large rental units in Escondido that are affordable to lower-income households, which can lead to families doubling up to save on housing costs.

In order to address the increasing need for housing for low-income seniors, the Consolidated Plan sets an objective to fund commitments to assist an average of 310 elderly households per year with rental assistance from Housing Set-Aside Funds. The Consolidated Plan also sets forth an objective of providing 16 rental units for families per year, five of which would be three- or four-bedroom units. As a strategy toward meeting related priorities, the City's FY 2010-2011 One-Year Action Plan places an emphasis on the rehabilitation of rental units and new construction of rentals in some instances where determined to be appropriate. Redevelopment and rehabilitation will occur with the assistance of HOME funding and Housing Set-Aside Funds, in addition to other funding sources. During the upcoming fiscal year, the City anticipates occupancy of Juniper Senior Village currently under construction by National CORE (formerly SoCal Development). The project received building permits in December 2009 and consists of redevelopment of a dilapidated mobilehome park into a senior complex with 61 rental units on Washington Avenue. In addition, Urban Housing Communities is completing the entitlement process for the redevelopment of Elder Place, a severely declining area of the Mission Park Neighborhood, providing a minimum of 55 multi-family rental units that include two-three- and four-bedroom units.

Assessment of Impediments to Fair Housing (AI)

The City participates with regional partners to assess impediments to fair housing. The regional partners selected a consultant to prepare the plan in order to adequately assess any impediments on a county-wide basis. The consultant held several workshops throughout the county and has provided the jurisdictions with a draft plan. The plan will be made available at City Hall for public review, but does not have to be submitted to HUD.

CDBG Funds

The City of Escondido anticipates receiving \$1,732,912 in CDBG funds for FY 2010-2011. No more than 15 percent of the total entitlement (\$259,936) may be used for public service activities, and no more than 20 percent (\$346,582) may be expended for administrative activities. There is no limit to the percentage that may be expended for capital improvement projects in low-income neighborhoods.

FY 2010-2011 CDBG-Funded Community Development Activities

Priority needs, strategies and objectives defined in the Strategic Plan section of the Consolidated Plan are addressed in the One-Year Action Plan through CDBG-funded projects in the areas of youth, economic development, transportation for seniors, neighborhood revitalization, homelessness and ADA improvements to public facilities. Where appropriate, projects relating to neighborhood revitalization, services for youth and economic development have been geographically focused to achieve targeted community benefits.

All of the community development projects and programs proposed are designed to meet the goals and objectives of the Consolidated Plan. Details of the proposed CDBG-funded projects are listed in Attachment D.

Proposed Capital Activities

Neighborhood revitalization was identified as one of the City's key community development priorities in the proposed FY 2010-2015 Consolidated Plan. The City of Escondido's revitalization strategy focuses on efforts that are neighborhood-based with a high level of involvement by residents.

The FY 2010-2011 Action Plan includes an allocation for Phase 4 of the Tulip Street improvement project. This third phase of construction (fourth phase of funding) in the multi-phase project will include new curbs, gutters, retaining walls, sidewalks, street lights and new surfacing of streets in public rights of way from 5th Avenue north to 3rd Avenue. Phase 1 (from 9th Avenue north to 7th Avenue) was completed in June 2008 and Phase 2 (from 7th to 5th Avenues) was completed in November 2009. Construction of the entire project from 2nd to 9th Avenues is expected to take between five and six years to complete.

If approved, Project NEAT, as described earlier in this report, will incorporate education, mediation and volunteer efforts, leveraging City resources to improve the appearance and safety of neighborhoods.

Finally, the Oak Hill Child Care Facility and Street Improvement Project will leverage loan funds from the state to expand and improve the facility and surrounding infrastructure, providing 48 additional subsidized childcare slots in Escondido.

Proposed Public Service Activities

The FY 2010-2011 One-Year Action Plan includes projects to increase quality-of-life opportunities for Mission Park area youth and families. Staff recommends continued funding for the following programs:

- Counseling and assessment services to support at-risk youth and their families in the Mission Park area, as well as an infant, toddler and preschool counseling and parent training to Mission Park families utilizing subsidized childcare;
- Continuation and expansion of the Learn to Swim program, which provides water safety training to low-income youth and adults in the Mission Park area;
- Support for the Regional Winter Shelter, which serves homeless men and women during the cold winter months;
- Older-Adult services provided by the City's Community Services Department, including a low-cost transportation program and Senior Nutrition Program at the Joslyn Senior Center;
- Meal delivery services for homebound seniors and people with disabilities;
- Workforce-oriented computer lab at the Escondido Public Library;
- Healthcare Career Pipeline program (originally funded in FY 2008-2009) which provides case management and training to fill the growing need for skilled healthcare professionals.

In addition, staff recommends CDBG funding for the following new public service programs:

- Youth nutrition program providing weekend supplies of healthy foods to very low-income elementary school students in Mission Park;
- SAFEWALK parent volunteer program which works with school administrators to ensure students get safely to and from school;
- Bi-Lingual, workforce-oriented computer training targeted at Mission Park area residents.

Citizen Participation Plan:

HUD mandates that the Consolidated Plan must result from an effective citizen participation process. Citizen participation continues to be a priority for the City of Escondido. Citizens are involved in the

identification of community needs on an ongoing basis through community meetings, public hearings and neighborhood groups. A detailed citizen participation process is outlined in Attachment E.

The following attachments provide additional information for Council reference:

Attachment A – FY 2010-2015 Consolidated Plan Executive Summary

Attachment B – FY 2010-2011 One-Year Action Plan

Attachment C – FY 2010-2011 HOME program fund recommendations

Attachment D – FY 2010-2011 CDBG program fund recommendations

Attachment E – Citizen Participation Plan

The draft FY 2010-2015 Consolidated Plan is available for Council's review in the City Council reading file and is available for public review at the following locations: Neighborhood Services Division, 201 North Broadway; Escondido Public Library, 239 South Kalmia; and City Web site www.escondido.org. A form will be included with the Consolidated Plan posted online for members of the public to provide comments. The Consolidated Plan public review and comment period is March 24, 2010, to April 24, 2010.

ALTERNATIVES:

In the alternative, Council may choose to:

1. Modify the recommended FY 2010-2015 Five-Year Consolidated Plan
2. Modify the recommended FY 2010-2011 One-Year Action Plan
3. Modify the recommended Citizen Participation Plan

Other Action Plan Amendments:

The Escondido Creek Improvement project will create a comprehensive vision plan for the Escondido Creek Trail and, leveraged with \$157,500 in SANDAG grant funds, revitalize the bicycle/pedestrian trail between Broadway and Ash for enhanced appearance, safety, access and usability.

If approved, the additional \$92,250 (\$41,250 from the Elm to Hickory Streetlight project and \$51,000 from unprogrammed funds) in funds will fulfill the 1:1 matching requirement of the SANDAG grant.

FISCAL ANALYSIS:

All program and program administration expenses are paid with CDBG funds and do not impact the City's general fund.

PREVIOUS ACTIONS:

On April 22, 2009, Council adopted the FY 2009-2010 One-Year Action Plan for CDBG and approved its submission to HUD.

On May 6, 2009, Council adopted Resolution No. 2009-49 approving the submittal of five bicycle/pedestrian facility grants and authorized staff to receive the grants if awarded and establish corresponding budgets.


On May 20, 2009, Council approved a substantial amendment to the FY 2008-2009 One-Year Action Plan for CDBG to allocate \$464,210 in funds received as a result of the American Reinvestment and Recovery ACT to the Elm to Hickory Streetlight project.

On October 28, 2009, Council approved a third amendment to the FY 2007-2008 One-Year Action Plan for CDBG to transfer \$65,000 from the CDBG Grants to Blocks project to fund a proposed study for revitalization of the Escondido Creek area.

Respectfully submitted,



Jerry Van Leeuwen
Director of Community Services



Roni Keiser
Housing Manager



Rich Buquet
Neighborhood Services Manager



ITEM NO.: _____

AGENDA: 3-24-10

- () There is no material for this agenda item.

THE FOLLOWING ITEM(S) WILL BE DISTRIBUTED WHEN AVAILABLE:

- () Staff Report
- () Resolution No.: _____
- () Ordinance No.: _____
- () Exhibits/Attachments: _____

DUE TO THE SIZE OF THIS AGENDA ITEM:



COUNCIL MEMBERS:

A copy is in the Council Reading File - Consolidated Plan

- () **Staff and others:**

A copy is available in the City Clerks Office for viewing

City of Escondido Five-Year Consolidated Plan FY 2010 – 2015

Executive Summary

The Consolidated Plan is a federally required document. It incorporates the application of 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 through the County of San Diego.

The Consolidated Plan is administered through an interdepartmental project team consisting of representatives from the Housing, Neighborhood Services and Economic Development Divisions. The project team obtained significant input from other City departments, local community groups and stakeholders in the development of this document.

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

The first goal is to provide a suitable living environment. This includes improving the safety and livability of neighborhoods, organizing working and viable neighborhood groups, increasing access to quality facilities and services, reducing the isolation of income groups within areas by expanding affordable housing opportunities and revitalizing deteriorating neighborhoods, restoring and preserving natural and physical features of special value for historic, architectural, or aesthetic reasons and conserving energy resources.

The second goal is to provide decent housing. This includes retaining the affordable housing stock, increase the availability of permanent housing that is affordable to low-income households without discrimination, assisting homeless persons to obtain affordable housing and increasing supportive housing that includes structural features and services to enable persons with special needs to live independently.

The third goal is to expand economic opportunities. This includes creating and retaining jobs accessible to low and very low-income persons, providing access to credit for community development that promotes long-term economic and social viability and empowering low-income persons in federally-assisted and public housing to achieve self-sufficiency.

The consolidated strategy allows a community to establish a unified vision for housing and community development actions through a collaborative effort and process. By consolidating the submission and reporting requirement for HUD formula programs, the federal government is providing local jurisdictions with an opportunity to better shape the various programs into effective, coordinated neighborhood and community development strategies. It also creates the

Attachment A

opportunity for strategic planning and citizen participation to occur in a comprehensive framework and for the elimination of duplicate efforts at the local level. It integrates economic, physical, environmental, community and human development in a comprehensive and coordinated fashion so that families and communities can work together and succeed. The strategic plan also sets goals, objectives and performance benchmarks for measuring progress, establishes a framework for assessing new knowledge and experience and identifies how these provisions can contribute to a successful plan for revitalization.

Escondido's Consolidated Plan includes four major sections. Each represents a component of the comprehensive plan to address local affordable housing and community development needs for the next five year period: (1) Citizen participation; (2) Housing and community development needs assessment, which provides the foundation for establishing priorities and allocating federal, state and local resources; (3) Priorities, strategies, objectives and resources for addressing the needs identified in the plan for a five-year period; (4) A description of the proposed projects to be funded through HUD formula programs in the first year of the Consolidated Plan.

Citizen Participation

Citizen participation continues to be a priority for the City of Escondido. Citizens are involved in the identification of community needs on an ongoing basis through community meetings, public hearings, notifications and neighborhood-based groups. The community needs provide important information on which to base decisions regarding the allocation of federal funds addressed by the Consolidated Plan.

Housing and Community Development Needs

During 2009, an assessment of housing and community development needs of Escondido residents was conducted by the City of Escondido. The purpose of this evaluation was to account for those needs in the allocation of federal funding and the development of the Consolidated Plan. The assessment process utilized a range of strategies, including community surveys, community reports, focus groups, neighborhood-based meetings, and discussions with key informants.

Housing Stock Characteristics

Based on 2000 Census data, the tenure distribution of the City's occupied housing units was 53 percent owner-occupied and 47 percent renter-occupied. Large housing units with three or more bedrooms were more prevalent in ownership housing stock than rental housing. As compared to the County, Escondido has a higher rate of overcrowding. This was a direct consequence of high housing costs in Escondido. The 2000 Census data reported the median monthly rent for Escondido as \$693 and rental vacancy rate as 2.7. Approximately 50 percent of the rental households in the City pay more than 30 percent of their income toward their housing costs and approximately 33 percent of owners pay more than 30 percent of their income toward housing costs. The San Diego County Apartment Association conducts a semi-annual rental rate survey within the County. The average rent in Escondido for a one bedroom apartment in the Fall of 2009 was \$910. The weighted rent for all unit types countywide according to the same survey was \$1,189.

Attachment A

Housing Needs

The current recession and housing market correction has left many families struggling to stay in their homes. Housing values have fallen 35 to 40 percent from their 2006 peak and unemployment in California was over 12 percent in January 2010. The plunge in housing values coupled with the dramatic increase in unemployment numbers has greatly impacted the needs of not just low-income residents, but moderate-income residents as well. There has recently been an encouraging sign in the housing market. The median price of a home in California experienced its first year-to-year gain in over two years during November 2009. Economic indicators describe continued erosion in the ability of low and moderate income families to meet basic housing needs.

The particular housing needs of low- and moderate-income households are identified by household type and housing problems. Households with housing problems include those that occupy units with physical defects, live in overcrowded conditions, have a housing cost burden exceeding 30 percent of gross income, and have a severe housing cost burden exceeding 50 percent of gross income. Based on these criteria and 2000 Census data, 61 percent of the renters experience some housing problems compared to 34 percent of the owners. Approximately 85 percent of the large family renters in Escondido were confronted with one or more housing problems.

Concentration of Low- and Moderate-Income Households

According to the 2000 census, the City of Escondido Median Family Income (MFI) in 2000 was \$48,456 and the County's MFI was \$53,438. For purposes of the Consolidated Plan, HUD established the following income categories based on the MFI for the nearest Metropolitan Statistical Area (MSA), which for Escondido is the San Diego MSA.

- Extremely Low-Income (0-30 percent of Area MFI)
- Low-Income (31-50 percent of Area MFI)
- Moderate-Income (51-80 percent of Area MFI)

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.

Racial/Ethnic Concentrations

Many of Escondido's neighborhoods are reflections of its residents, with various cultural groups living together. Non-Hispanic Whites no longer comprise the predominant ethnic group in Escondido. Population data from the San Diego Association of Governments (SANDAG) indicate the Hispanic population in the City is 65,152 and the Non-Hispanic White population is 64,573. Historically the majority of the City's Hispanic population has been concentrated in the downtown area. A clearer picture of concentration of populations should be available with the 2010 census.

Attachment A

Homeless Needs

The goal of the Consolidated Plan is to maintain services and facilities that constitute a Continuum of Care for the homeless in the region. At its entry point, the continuum consists of basic survival services, such as food, clothing, and shelter. Although temporary, this setting includes assessment and referral services to short- and long-term transitional housing arrangements. The goal of a comprehensive regional homeless service system is to provide a continuum of care that transitions homeless individuals and families to self-sufficiency and permanent housing.

Escondido has a variety of facilities and services to meet the needs of those who are homeless, including emergency shelters, as well as transitional and permanent housing. Homeless facilities and services target a wide variety of groups, including families with children. Programs are also available to meet the needs of homeless sub-populations, including the severely mentally ill, alcoholics and drug addicts, the dually diagnosed, persons with physical and developmental disabilities, victims of domestic violence, and persons with AIDS and related diseases.

The Alliance for Regional Solutions (ARS) was formed in response to the issues regarding where to site emergency winter shelters for the homeless in North San Diego County. This is the third year of north county's Regional Winter Shelter system which includes the 12 bed capacity North Inland rotational Interfaith Shelter Network case managed by Interfaith Community services for men, women and children, the 12 bed capacity North Coastal rotational Interfaith Shelter Network for men, women and children, case managed by Community Resource Center, the 75 bed capacity Carlsbad based La Posada de Guadalupe operated by Catholic Charities, the 50 bed capacity Bread of Life Rescue Mission in Oceanside for men and women, the 49 bed Vista-based Operation Hope for women and families with children, and the 45 capacity Escondido Shelter operated by The Salvation Army for men and women. The total system static capacity is 243 beds. This is essentially the same as last year's capacity. Last year, a total of 637 men, women and children received shelter in these 243 beds.

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA) which designated \$1.5 billion 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 Homelessness Prevention and Rapid-Re-Housing Program (HPRP) funds were distributed through the Department of Housing and Urban Development (HUD) by formula allocation, and the City of Escondido received \$709,782. The City will target the funds to renter households at risk of becoming homeless. Rental assistance will be provided to those families and individuals who earn at or below 50% of Area Median Income based on household size.

Non-Homeless Persons with Special Needs

This group is described as persons who are not homeless but who require housing or supportive services, including the elderly and frail elderly, persons with disabilities (mental, physical, and developmental), persons with alcohol or other drug addiction, and persons with HIV/AIDS and their families.

Attachment A

The 2000 Census reported a total of 18,565 persons in Escondido age 60 and over. The 2000 Comprehensive Housing Affordability Strategy (CHAS) indicated more than 57 percent of elderly 1- and 2-member households in Escondido have low or moderate incomes. The CHAS also indicated that approximately 20 percent (1,970) of the City's lower income elderly households pay more than 50 percent of their income for housing.

A person is considered to have a disability if he or she has difficulty performing certain functions (i.e., seeing, hearing, talking, walking, climbing stairs, and lifting and carrying). In addition, a person is considered disabled if he or she has difficulty with certain social roles (i.e., doing school work, working at a job, or around the house). In Escondido, the 2000 Census reports 19.9 percent of residents age 5 and older, 19.1 percent of those age 16 to 64, and 49.4 percent of residents age 65 and older to have some form of a disability.

Currently, elderly persons, individuals with physical and mental disabilities, persons with alcohol and other drug addictions and persons diagnosed with AIDS and related diseases have access to housing services and facilities that provide supportive services and independent living skills. An inventory of these facilities includes retirement communities, residential care facilities for the elderly, skilled nursing facilities, board and care residential facilities, transitional housing, referral/support services facilities and residential homes for individuals with substance abuse issues and AIDS.

Barriers to Affordable Housing

Government factors and market conditions pose constraints to the provision of adequate and affordable housing. Constraints to housing production significantly impact households with lower incomes and special needs. Government constraints, such as land use controls, site improvement requirements, building codes, development processing procedures and fees may serve as a constraint to housing development. In this case, the City has the ability to introduce actions to minimize the adverse influence of these factors on affordable housing production. Other non-governmental constraints include land costs, construction costs, and financing costs, which are not controlled by the City; therefore, the City has a limited ability to influence these factors.

Fair Housing

The City of Escondido maintains a strong commitment to the provision of fair housing in the community. The goal of the City's fair housing program is to affirmatively further fair housing through specific educational, outreach and monitoring activities. The City contracts with Center for Social Advocacy to provide comprehensive fair housing services. A new Assessment of Impediments to Fair Housing Choice (AI) is currently being prepared on a regional basis.

Community Development Needs

The community development needs of homeless and non-homeless persons living in Escondido are described in this section (the housing needs of these groups are discussed in the Housing Needs section above). General community development needs are identified as well as the special needs of select groups. Citizen participation was solicited and achieved as a part of the overall needs assessment process and forms the basis for all of the community development needs identified in this section.

Attachment A

Discussions with community members and key stakeholders revealed a variety of both assets and deficits in the City, especially in the targeted low-income areas. This section contains statistical and analytical information that provides an overall picture of the City's community development needs, as well as how community input factors into prioritizing the identified needs. The identified needs are summarized here as follows:

- There is a need for more youth activities and programs and safe places for youth to gather; especially for at-risk youth.
- There is a need for crime prevention and gang diversion activities for at-risk youth, including counseling programs, as well as drug and alcohol prevention and treatment services which all play an important role in the reduction of violence.
- There is a continuing need for affordable child care and after-school care for pre-school and school-aged children.
- There is a need for access to affordable health care as well as affordable health insurance, especially for children.
- Senior services are needed to address the special needs of the City's growing elderly population, including transportation and affordable health care.
- New public facilities are needed to keep pace with population growth and aging infrastructure. Such needs include new fire and police stations, new parks in low-income areas and improved streets, sidewalks, curbs, gutters and other related improvements in low-income neighborhoods.

Economic Development

Quality of life depends greatly on the economic vitality of the City and the region. In Escondido, nearly 14 percent of Escondido's residents have been determined to be living in poverty.

To meet the needs of Escondido's low-income population, job training and career guidance opportunities and programs are available throughout the City, as well as English as a Second Language (ESL) classes to overcome language barriers; culturally appropriate job training; affordable childcare; and affordable, and flexible transportation alternatives. This section contains statistical and analytical information that provides an overall picture of the City's economic development needs.

Housing Priorities

The housing assistance needs of Escondido households far exceed the resources that are projected to be available over the five-year time period of the Consolidated Plan. The needs assessment process identified a number of significant findings related to the housing assistance needs of lower-income residents of Escondido. An analysis of housing data contained in the 2000 Census data, as well as a partial update of the data from our local council of governments indicates:

- A fluctuating housing market and high unemployment leading to unaffordable housing costs.
- A large number of renter households continue to need housing assistance.

Attachment A

- A mismatch exists between the current housing demand and existing supply.
- A trend is emerging toward increasing foreclosure of single family properties.
- A significant number of senior households need assistance in maintaining their homes.

Based on these findings, the following have been adopted for the investment of available housing funds over the five-year time period of the Consolidated Plan:

1. Expand the supply of affordable rental housing.
2. Conserve the supply of existing ownership housing.
3. Promote neighborhood stability by increasing the length of tenure of renter households.
4. Increase home ownership opportunities.
5. Increase the supply of well-designed multi-family units.
6. Expand the supply of three- and four-bedroom rental units for low-income families

The primary programmatic measures for addressing the identified priorities include subsidized construction of new units, subsidized acquisition and/or rehabilitation of existing units, and direct assistance to lower-income households. Subsidized new construction is appropriate primarily in cases where there is an absolute shortage of housing units overall or within a particular segment of the market. Acquisition and/or rehabilitation of the existing housing stock will be undertaken when the resulting housing will be suitable for the households with unmet housing needs.

Community Development Priorities

Based on a needs assessment, statistical data and community input, six priority areas were identified for strategy recommendations and investment of available CDBG funds to be carried forward for the next five-year period:

1. Youth: Increase quality-of-life opportunities for Mission Park Area students and their families by improving their social and physical environment.
2. Economic Development: Provide economic development opportunities for Mission Park Area residents.
3. Transportation Alternatives for Seniors: Explore and develop coordinated, low-cost, flexible transportation alternatives for seniors.
4. Neighborhood Revitalization: Identify and improve low-income neighborhoods appropriate for revitalization incorporating direct citizen involvement.
5. Homelessness/AIDS: 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.
6. ADA Improvements to Public Facilities: 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.

Attachment A

The specific objectives, rationale for selection, basis for targeted concentration and strategies for implementation are described in detail in the Community Development Priority Needs, Strategies and Objectives section for each priority.

Anti-Poverty Strategy

The City's goal is to encourage a diverse and healthy economic base to provide jobs and services for Escondido residents. A diverse and healthy local economic base is an important prerequisite for raising the incomes of those who are living in poverty. Economic goals and policies are aimed at creating and sustaining a diverse and healthy economy, as well as helping individuals to take advantage of available resources.

The City's goals, policies and programs for reducing poverty are outlined in detail in this section of Plan, including programs such as: job training and counseling programs, business retention, expansion and attraction programs, local economic development programs, active partnerships with regional economic development boards, coordination with affordable housing developments, and others.

Resources

The Consolidated Plan lists all federal and local funding resources anticipated to be available to support affordable housing and community development activities in the City of Escondido during the five year Consolidated Plan period and during the FY 2010-2011 One Year Action Plan period.

FY 2010-2011 Action Plan

The City of Escondido will continue to rely on an innovative, multi-faceted approach to provide affordable housing for its low-income residents. Partnerships comprised of public, private and nonprofit agencies will continue to maximize the use of resources to finance acquisition, rehabilitation, new construction, homebuyer activities, provision of rental housing and support services in the community.

The City of Escondido Neighborhood Services Division will serve as the lead agency in the administration of all CDBG projects proposed in this Consolidated Plan, and will contract with local nonprofit agencies and organizations to administer activities described in the One-Year Action Plan which are not undertaken directly by the City. In some cases, contract agencies, or subrecipients, will be responsible for implementation of programs.

A broad spectrum of diverse yet complementary projects is proposed for FY 2010-2011 CDBG funding. These projects include the provision of fair housing services; transportation, in-home meal delivery and other related services for seniors; child care; counseling programs to assist at-risk families with children; career guidance services and recreation opportunities for underserved youth. In addition, proposed projects include addressing the City's infrastructure needs as well as addressing complex issues associated with homeless individuals and families. Although funded projects will be well distributed throughout the City, some resources, where appropriate,

Attachment A

will be strategically positioned in the City's core, low-income areas to achieve a more targeted benefit.

Monitoring

In order to maintain the Consolidated Plan as a feasible, working document it must be reviewed annually and updated every three to five years. Periodic review will allow the City to evaluate the progress made toward attaining established priorities and goals. It will also provide the City with an opportunity to adjust programs to better respond to changing needs and fiscal conditions within the community.

Furthermore, all housing programs supported with federal funds and subject to the Consolidated Plan will be monitored on a regular basis to ensure compliance with occupancy and affordability requirements.

Consolidated Plan Purpose and Administration

The purpose of the Consolidated Plan is to document the unified vision for future community improvement in the City of Escondido. The preparation of this document is a federally mandated program for public agencies seeking financial grants through the U.S. Department of Housing and Urban Development. The Plan requires agencies to collaborate with citizens, neighborhood groups and community leaders and establish a strategy for comprehensively revitalizing low- and moderate-income areas that contain a high percentage of ethnic diversity.

The Consolidated Plan provides a strategic course of action for revitalization. Moreover, it is the means to analyze the full local context and the linkages to the community. The Plan builds on local assets and coordinates a response to the needs of the community. The Plan is also intended to integrate economic, physical, environmental, and human development in a comprehensive and coordinated fashion so that individuals, families and the community can thrive. Goals and performance benchmarks for measuring progress are provided in the Plan. These performance measurements establish a framework for assessing new information and experiences in order to determine how they can contribute to a successful strategy for revitalization.

The Consolidated Plan is administered through an interdepartmental team consisting of representatives from the Housing Division, Neighborhood Services Division and the Economic Development Division. Primary responsibility for the administration of CDBG proposals is assigned to the Neighborhood Services Division, and HOME projects are administered by the Housing Division. The Planning Division reviews all applications for conformance with zoning and environmental review standards.



First Program Year Action Plan

City of Escondido

FY 2010-2011

GENERAL

Executive Summary

The FY 2010-2011 One-Year Action Plan is the first in the City's Five-Year (2010-2015) Consolidated Plan (Consolidated Plan). 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. These 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 statutes for the grant programs included in the Consolidated Plan set forth three basic goals to benefit low and very low-income persons.

The first goal is to provide decent housing. This includes retaining the affordable housing stock, increase the availability of permanent housing that is affordable to low-income households without discrimination, assisting homeless persons to obtain affordable housing and increasing supportive housing that includes structural features and services to enable persons with special needs to live independently.

The second goal is to provide a suitable living environment. This includes improving the safety and livability of neighborhoods, organizing working and viable neighborhood groups, increasing access to quality facilities and services, reducing the isolation of income groups within areas by expanding affordable housing opportunities and revitalizing deteriorating neighborhoods, restoring and preserving natural and physical features of special value for historic, architectural, or aesthetic reasons and conserving energy resources.

The third goal is to expand economic opportunities. This includes creating and retaining jobs accessible to low and very low-income persons, providing access to credit for community development that promotes long-term economic and social viability and empowering low-income persons in federally-assisted and public housing to achieve self-sufficiency.

The consolidated strategy allows a community to establish a unified vision for housing and community development actions through a collaborative effort and process. By consolidating the submission and reporting requirements for HUD formula programs, the federal government is providing local jurisdictions with an opportunity to better shape the various programs into effective, coordinated neighborhood and community development strategies. It also creates the opportunity for strategic planning and citizen participation to take place in a comprehensive framework and reduces duplication of effort at the local

level. It integrates economic, physical, environmental, community and human development in a comprehensive and coordinated fashion so that families and communities can work together and succeed.

The City of Escondido's Consolidated Plan was developed through a collaborative community process that identified needs, established priorities and developed goals, objectives and performance benchmarks for housing and community development actions. The housing needs are similar to those discussed in the California State mandated Housing Element.

Each year, the City is required to prepare an action plan specifying how resources will be allocated to address the priorities established in the Consolidated Plan.

The FY 2010-2011 One-Year Action Plan specifies how CDBG and HOME Investment Partnership funds will be allocated to achieve the community development and affordable housing priorities of the Consolidated Plan. The FY 2010-2011 One-Year Action Plan is comprised of eight components:

1. A summary of available resources and activities the City plans to undertake in FY 2010-2011 to meet its Five-Year Consolidated Plan priorities and objectives for affordable housing, community development and homelessness;
2. A needs analysis pertaining to housing, community development and the continuum of care for homeless and non-homeless persons requiring supportive housing;
3. The City's monitoring standards for HOME-assisted rental and CDBG projects;
4. HOME and CDBG program certifications; *
5. A description of each proposed CDBG- and HOME-supported project;
6. SF424 Form/Applications for CDBG and HOME programs; and*
7. Funding sources for FY 2010-2011 CDBG and HOME grants.

In FY 2010-2011, the City of Escondido will use a multi-faceted approach to provide affordable housing and meet community development needs. The critical factors in this approach are: the formation of partnerships among public, private and nonprofit agencies and the leveraging of resources to revitalize low-income neighborhoods to acquire and rehabilitate affordable housing; to develop first-time homebuyer opportunities; to create jobs and prepare low-income individuals to secure and maintain employment; to transition homeless families/individuals to self-sufficiency; and to provide health and human services to meet the needs of special populations.

* Not included in this document, but will be included in the final version sent to HUD.

Geographic Areas

To best address the priorities of the Consolidated Plan, CDBG resources are concentrated in specified low-income areas, where appropriate, to achieve a more targeted benefit. These areas include the following: the Mission Park area, which includes two low-income census tracts (Census Tracts 202.02 and 202.12) that require significant resources to address quality-of-life issues such as employment and services for at-risk youth and their families, the Westside area (Census Tract 205.00) and other low-income areas which are targeted for residential and commercial/industrial revitalization.

Agencies Responsible for Administering Programs

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 organizations to administer public service and fair housing activities in addition to administering some projects directly. Where applicable, contract agencies (subrecipients) will be responsible for program implementation. Contract performance will be monitored by the City of Escondido.

The City of Escondido Housing Division will serve as the lead agency in the administration of HOME projects proposed in this plan. The City will contract with local housing developers and lending institutions to help implement housing programs.

Community Resources

Federal, state and local resources are expected to be available to address the housing and community development priority needs identified in the Consolidated Plan.

- **Supportive Housing Program (SHP) Funds**

Escondido's homeless service providers have been very successful in competing for SHP funds. These funds provide transitional housing and support services for homeless families and a variety of special populations. The Supportive Housing Program is a critical source of funding for Escondido's Continuum of Care.

The Spruce Street Project received a one-year renewal grant of \$346,689 beginning April 1, 2010 to provide stabilization, support services and transitional housing; with a capacity to house 34 homeless adult individuals with alcohol, drug and/or mental health problems. Interfaith Community Services is the lead agency. The project will provide 34 beds in the community inventory, and treat some 120 or more clients over the year.

The Escondido New Resolve project will be supported by \$56,000 in Veterans Affairs per-diem funds through Interfaith Community Services, \$230,000 in VA Homeless Grant funds, \$37,000 in resident rent, and approximately \$36,000 in Parolee Partnership funds for a total of approximately \$516,000 during FY 2009-2010. The Vietnam Veterans 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, sponsored by Interfaith Community Services. A one-year SHP renewal grant for Genesis I (\$103,415) and a one-year grant for Genesis II (\$64,214) that began in January 2009 and March 2009, 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 Community Services will continue to reapply in annual federal NOFAs for a similar amount of funding.

Interfaith receives an annual \$82,129 in HUD SHP funds for the CASA program, which serves women who are victims of domestic violence. This is a longer-term transitional housing program with intensive case management and related support services. CASA is subject to annual funding renewal each April.

Interfaith also receives two additional SHP grants, each funding six permanent supportive housing beds for chronically homeless seniors with disabilities. The first grant, Raymond's Refuge I, is for \$558,732 and covers the period of August 2008 to July 2011. The second grant, Raymond's Refuge II, is for \$575,735 and covers the period of May 2009 to April 2011.

- **Shelter Plus Care**

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 \$199,894 for a one-year renewed sponsor-based contract. The County of San Diego HCD is partnering with Mental Health Systems to begin the renewal process of the Shelter Plus Care Tenant Based Program which provides permanent housing to individuals and families receiving supportive services.

Department of Justice

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.

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

A variety of Escondido agencies participate in this component of FEMA, supplemented in 2010 by federal ARRA funding, which, in combination with other

HUD monies and private donations, is used to address the City's priority homeless needs. For FY 2009-2010, Interfaith Community Services received \$56,999.10 from ARRA funds for Motel Voucher Program and for Congregate and Supplemental Food. They have not yet applied for FY 2010-2011, but plan to do so when the RFP is released.

- **Department of Labor/Workforce Investment Act (WIA) Programs**

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 \$2,959,150 for WIA programs for veterans over the past 3 years. This includes a WIA grant (FY 2008-10) for Recently Separated Veterans in the amount of \$1,000,000 and an HVRP grant (FY 2008-11) in the amount of \$900,000.

In addition, 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.

The Escondido Education COMPACT receives WIA funding for services for youth ages 14 to 21 in Escondido and neighboring North County cities. The programs leverage a variety of federal, state, and local resources. COMPACT expects to receive WIA funding of approximately \$600,000 in FY 2010-2011 for youth services.

In addition, COMPACT is receiving \$431,715 in American Recovery and Reinvestment Act (ARRA) funding which, leveraged with WIA funding, will provide a 2010 Summer Youth Employment Program for youth ages 14 to 24 in Escondido and neighboring North County cities.

- **Department of Health and Human Services (HHS)**

HHS funds essential services for programs with children and maternal health components, 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.

- **Department of Veterans Affairs (VA)**

The VA funds essential housing and supportive services for homeless and non-homeless veterans in Escondido. In FY 2010-2011, Vietnam Veterans of San Diego (VVSD) expects to receive approximately \$360,000 from the VA and \$209,000 from HUD to provide mental health, alcohol/drug treatment and job training services for homeless veterans. In addition, during the same time period, Interfaith Community Services anticipates receiving approximately \$1,120,000 to support its transitional housing program for veterans, as well as more than \$405,000 for its 44-bed facility, Merle's Place.

Social Security Administration

The Social Security Administration (SSA) has, in the past, provided grant funds for programs that serve chronically homeless disabled persons with services including Social Security eligibility screening and application assistance, housing, drug/alcohol treatment, therapy, case management and other supportive services. Although funding from SSA ended in April 2008, Through the successful leveraging of other resources, Interfaith Community Services has continued to provide these services to the chronically homeless population in Escondido.

- **County of San Diego**

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.

During FY 2010-2011, Palomar Family Counseling Services, Inc. (PFCS) anticipates receiving funds from County Children's Mental Health (CMH) Services to provide on-site counseling and case management services at the Escondido Union High School District's various locations. In addition, PFC anticipates receiving funds from CMH to provide individual and group counseling and case management for preschool age children and their parents. PFC is also receiving 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 will receive continuing funding from First 5 Commission of San Diego to provide pediatric dentistry for uninsured children. A pediatric dentist is funded to work every Saturday for six hours.

A contract with MHSA for treatment of severely mentally ill of all ages is in place. Neighborhood Healthcare is reimbursed on a per patient basis for treatment of uninsured patients seeking mental health care.

A new contract (San Diego Health Care Coverage Initiative) with the county for treatment of uninsured patients with diabetes, hypertension, metabolic disorder and high cholesterol is in place provides free chronic disease care for uninsured patients.

- **State of California**

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

In 2008 Escondido Community Child Development Center was awarded \$1.14M by the California Department of Education, Child Development Division (CDE/CDD) to provide early care, early intervention early education and essential nutrition: comprehensive educational and social services for 120 newly enrolled families. Families qualify for this subsidized Title V program based on documented need and eligibility. In 2009 ECCDC also received a CDE/CDD 10-year Revolving Facilities loan (-to-own) of \$1,330,000 to install 6 modular classrooms at their new facility currently under construction at 2269 E. Valley Parkway. This new childcare facility will be licensed to provide subsidized childcare for 144 infants-toddlers and preschool age children when fully operational on or before October 1, 2010.

For FY 2010-2011, Escondido Community Child Development Center will receive Department of Education funds totaling \$3,343,171. ECCDC has three licensed facilities with 105 employees. The Agency is fully subsidized to serve 67 infants, 183 toddlers, and 205 preschool age children for a total of 455 children daily. Children are offered two main meals and two snacks each day: ECCDC serves over 430,000 meals per year subsidized by the California Adult and Child Food Program (CACFP).

Neighborhood Healthcare has been awarded \$45,000 from the California Family Health Council through Title X funds to provide basic women's health care in the Escondido area for FY 2010-2011.

Redwood Elderlink receives Department of Education funds totaling approximately \$28,000 per year for enhanced meal and nutrition programs offered to seniors and disabled adults.

Redwood Elderlink also receives approximately \$54,000 per year from the State of California (via the County of San Diego Aging and Independence Services Division) in an adult day care contract to provide specialized Alzheimer's care and supportive services to families. Elderlink also receives approximately \$18,000 in a Title III contract for adult day care services for eligible seniors.

- **Local School Districts**

Palomar Family Counseling Service, Inc. (PFCS) anticipates receiving funding from the Escondido Union High School District for site-based counseling services.

In addition, the Escondido Police Department received a Safe Schools/Healthy Students (SS/HS) Initiative CARE Youth Project Grant of \$35,900 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.

- **California State Library**

The California State Library awards approximately \$50,000 in funds to the Escondido Library for adult, family and mobile Literacy services. In addition, these funds provide staffing to support the services provided. Funding for these programs is also provided through Literacy Friends Group and the Library Trust Fund.

- **Department of Mental Health**

The California Department of Mental Health Support Services Initiative Act (SSIA) provides funds for psychiatric and psychological services to chronically mentally ill, homeless adults.

Private Resources, Nonprofit Agencies

- **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 nonprofit health and human service providers in Escondido. A wide range of services is provided with United Way funding. These services contribute to creating Escondido's comprehensive service systems for special populations and the continuum of care for the homeless.
- **Private Foundations and Funds** - The City works with and funds local nonprofit agencies which actively seek private foundation and other funding to help achieve the community development priorities of the Consolidated Plan. Human service agencies funded by the City receive funding from a variety of private foundations. In some cases, CDBG funds are leveraged to acquire these private resources.

Leveraging

The City of Escondido's policy is to use CDBG funds to leverage additional private and public resources, including in-kind resources from organized neighborhood groups, to address the Consolidated Plan priorities. The City encourages partnerships and collaborative efforts with private enterprises, neighborhood groups and nonprofit agencies. In addition, the City encourages shared funding arrangements with agencies requesting CDBG funding. In evaluating projects and services to be funded with CDBG, their ability to leverage and contribute other resources is heavily considered.

Enhanced Coordination Between Public and Private Agencies

The City will work 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. 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, an Affordable Housing Committee (AHC) is utilized. The AHC is made up of representatives from various City departments and divisions such as Housing, Neighborhood Services, Planning and 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.

Foster 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.

Housing Resources

The City is a participating jurisdiction for the federal HOME program and anticipates receiving \$916,594 for fiscal year 2010-11 and program income of approximately \$150,000. In addition to HOME funds, the City's redevelopment arm anticipates housing set-aside monies of approximately \$700,000. These monies will provide for first time home-buyer and housing rehabilitation loans for low and moderate income residents as well as a contingency for development of an affordable rental project. City staff will review any potential applications for additional federal and/or state resources in order to further leverage the currently available revenue streams.

Citizen Participation

Public Hearings

Two public hearings were held to develop the FY 2010-2011 One-Year Action Plan. The first public hearing was a public workshop held on November 18, 2009 to reaffirm priorities for the allocation of FY 2010-2011 Community Development Block Grant Funds for public service projects that support the Consolidated Plan objectives. At this public meeting, public comments were received and Council approved staff's recommendation to reaffirm the existing priorities.

At the second public hearing on March 24, 2010, staff will present proposals for funding and specific program recommendations to support the Five-Year Consolidated Plan priorities and objectives. City Council will consider all comments and requests for

funding before approving the allocations as set forth in the CDBG Allocations Table attached to this document.

Process for Amending the One-Year Action Plan

In accordance with the Citizen Participation Plan, amendments to the One-Year Action Plan are to be considered any time that a "substantial change" to a project is intended. A "substantial change" is defined as a change in the location of a project, a change in scope of a project which affects the funding level of *more than* \$25,000 for projects budgeted at \$100,000 or less, or greater than 25 percent of projects budgeted at more than \$100,000.

Any time an amendment to the One-Year Action Plan is made, a public hearing will be conducted and the public hearing will be noticed in local English and Spanish-language publications. The notice will provide an explanation of the changes and describe how the changes will affect future funding. A 30 day public comment and review period will be provided before the amendment is submitted to HUD.

FY 2010-2011 One-Year Action Plan Public Review and Comment Period

The FY 2010-2011 One-Year Action Plan will be made available for public review and comment from March 24, 2010 to April 24, 2010 in the Neighborhood Services Division at Escondido City Hall, 201 N. Broadway in Escondido and on the City of Escondido's Web site at www.escondido.org.

Institutional Structure

Housing and community development programs in the City of Escondido will be carried out by an institutional structure that includes public institutions, nonprofit organizations, educational institutions and private industry. The institutional capacity of these agencies includes human resources to assist in the development, implementation and monitoring of housing and community development programs. An assessment of the institutional structure in the City of Escondido indicates various agencies and organizations are actively collaborating to develop and administer programs and policies to increase affordable housing units and address community development needs. Examples of collaborators include:

- Organized neighborhood groups
- SAFEWALK parent volunteer program members
- Escondido Workforce Roundtable
- Alliance for Regional Solutions
- North County CDBG Administrators Group
- Fair Housing Resources Board
- Emergency Food and Shelter Program Board
- Escondido Police Department Gang Prevention Programs

Monitoring Standards

As an entitlement city in the CDBG program and a participating jurisdiction in the HOME program, the City of Escondido is responsible for ensuring that federally-assisted projects and programs comply with all applicable statutes and regulations. The City will monitor the activities of all entities receiving funds from the City to ensure compliance with requirements and for taking necessary corrective action should performance problems occur.

Monitoring Standards for Home-Assisted Rental Projects

Prior to disbursement of HOME funds to any entity, the City shall enter into a written agreement with the entity ensuring compliance with all applicable statutes and regulations. Agreements will remain in effect for the requisite period of affordability.

The City is responsible for the review of activities of owners of HOME-assisted rental housing to determine compliance with applicable regulations and written agreements. Post-completion property inspections shall be conducted to ensure that properties meet all local codes and standards. Multi-family housing projects containing at least 26 units shall be inspected on-site annually to determine compliance with housing codes, HOME regulations and written agreements. For rental projects containing five to 25 units, an on-site review shall be made once every two years. Projects containing one to four units shall be inspected every three years. Review of rent levels and recertifications of tenant income levels shall be conducted on an annual basis. The results of all reviews shall be and have been included in the HOME annual performance report and shall be and were made available for public review.

Monitoring Standards for CDBG Projects and Program

Recipients of CDBG funds (subrecipients) are required to enter into written agreements with the City prior to receipt of CDBG funds. The agreements govern the activities of subrecipients and specify regulations and conditions under which funds will be provided. Additionally, agreements define the purpose and nature of services and projects and where they will be provided, the tasks to be performed, the level of service to be offered in quantifiable units, performance measurements and a project implementation schedule within a defined contract period.

The City will monitor all CDBG project and program activities on an ongoing basis to ensure compliance with HUD regulations and City policies, facilitate timely completion of projects and provide opportunities for dialogue with subrecipients. Monitoring strategies will include on-site field visits, telephone calls, monthly review of financial records, quarterly review of agency performance reports and the provision of technical assistance as needed. Annual site visits will be conducted for all subrecipients new to the CDBG program, those with previous compliance or performance problems and those carrying out multiple or high-risk CDBG activities.

Lead-based Paint

The City of Escondido is committed to addressing lead-based paint hazards. 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 grants owner-occupants (who are rehabilitating their homes through the City's Rehabilitation Program) funding to conduct required lead-based paint-related activities under Title X regulations such as paint testing, risk assessment, hazard reduction, or abatement and clearance. Currently, grants are paid with Housing Set-Aside Funds budgeted for the FY 2010-2011 Rehabilitation Program. It is anticipated that money for FY 2010-2011 will also be budgeted for lead-based paint activities. Additionally, City Housing staff will continue to attend meetings, seminars and training regarding lead-based paint hazard testing and reduction. Staff will also continue to provide informational brochures to the public regarding lead-based paint hazard reduction.

HOUSING

Affordable Housing Activities

A variety of housing programs and projects will be utilized in FY 2010-2011 to address the priorities of the Consolidated Plan. There are six adopted housing priorities, several of which overlap and could be achieved within the same activities. As listed in the Consolidated Plan, they 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 housing units; and,
6. Expanding the supply of three- and four-bedroom rental units.

Priorities 1 and 2 relate to the need for homeownership in Escondido. This FY 2010-2011 One-Year Action Plan addresses the need to reduce turnover rates and increase a sense of ownership within the community. The issuance of Mortgage Credit Certificates (MCCs) and HELP (Homebuyer Entry Loan Program) loans will assist first-time homebuyers in the purchase of their homes. At the inception of the HELP program, over 50 loans were issued annually. The number of HELP loans declined considerably when housing prices escalated. However, with the current foreclosure problem loan activity has increased substantially. During fiscal year 2008-09 71 HELP loans have were issued. From July 1, 2009 through December 2009, 22 additional HELP loans have been made. Staff continues to anticipate the need for all Housing Development HOME funds to be allocated to the HELP program for the minimum issuance of 15 subordinate deferred loans for the upcoming fiscal year.

Lower-income owner-occupants who live in substandard units have been designated a high priority for assistance in maintaining their homes. In keeping with the Consolidated

Plan, the City expects to fund an average of 22 owner-occupied, single-family and mobile home rehabilitation loans each year. Funding of loans will be accomplished with Housing Set-Aside Funds.

Priorities 3, 4, 5 and 6 relate to the improvement of the supply of rental housing in the City to meet the needs of Escondido residents. The Consolidated Plan cites overpayment for housing as a widespread housing problem in Escondido, especially among lower-income renters. Additionally, the rate of overcrowding is especially acute for large, related renter households. This trend reflects in part the limited supply of large rental units in Escondido that are affordable to lower-income households, and the doubling up of families to save on housing costs.

In order to address the increasing need for housing for low-income seniors, the Consolidated Plan sets an objective to fund commitments to assist an average of 295 elderly households per year with rental assistance. The Consolidated Plan also sets forth an objective of providing 23 rental units for families per year. As a strategy toward meeting related priorities, the City's FY 2010-2011 One-Year Action Plan places an emphasis on the rehabilitation of rental units and new construction of rentals in some instances where determined to be appropriate. During the upcoming fiscal year, the City will also continue to assist CORE (formerly SoCal Development) in its redevelopment of a dilapidated mobilehome park into a senior complex with 61 rental units on Washington Avenue, and assist Urban Housing Communities in its redevelopment of Elder Place, a severely declining area of the Mission Park Neighborhood, into 55 multi-family rental units that include three-bedroom units.

Needs of Public Housing

There is no public housing in the City of Escondido.

Barriers to Affordable Housing

In order to remove barriers to affordable housing, City staff will continue 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.

HOME/American Dream Down Payment Initiative (ADDI)

ADDI funds are not anticipated for this year.

HOMELESS AND SPECIAL NEEDS POPULATIONS

Continuum of Care for the Homeless

Support for Escondido's homeless individuals and families will continue in FY 2010-2011 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. The One-Year Action Plan also includes the Regional Winter Shelter program, providing emergency shelter for men and women during the cold winter months.

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 Community Resources section of this report.

Activities to Meet the Needs of Special Populations

Nearly all of the CDBG-funded projects proposed for FY 2010-2011 are designed to meet the needs of special populations, including youth, senior citizens and persons with physical disabilities. During FY 2010-2011, the City will support the following projects with CDBG funds to meet the needs of special populations:

- Assessment, counseling, and treatment services for low-income families with infants, toddlers and pre-school aged children attending childcare in the Mission Park area;
- Family counseling and assessment services to support at-risk, school-aged, low-income youth and families in the Mission Park area;
- Learn-to-Swim water safety classes targeted at the ethnically diverse and economically challenged Mission Park area;
- Workforce-oriented computer access and support at the library for individuals seeking job information, filling out online job applications, writing résumés, applying online for unemployment benefits, locating housing and searching for other workforce-related community resources;
- Daily meal delivery for homebound, low-income seniors and people with disabilities;
- Daily hot meals to seniors;
- Specialized, coordinated transportation services for low-income seniors and people with disabilities;
- Emergency shelter and case management services for homeless men and women during the cold winter months;
- Job-readiness training through subsidized computer classes targeted at Mission Park residents;
- Weekend supplies of healthy food to very low-income elementary school students living in the Mission Park area;

- Workforce development services, including case management and career guidance to support a sustainable and replicable healthcare education and career pipeline; and
- ADA improvements to City facilities and public capital projects.

Projects funded for FY 2010-2011 are well distributed throughout the City, with targeted concentration in the Westside and Mission Park areas. Specific project descriptions are identified in the CDBG Allocations Table attached to this report.

All proposed projects are required to undergo and receive environmental clearance in order to receive funding.

Emergency Shelter Grants (ESG)

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. Interfaith Community Services received \$77,629 that will end in June 2010; the amount expected for 2010-2011 is \$46,745.

COMMUNITY DEVELOPMENT

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 described in the One-Year Action Plan 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.

The FY 2010-2015 Consolidated Plan specifies six community development priority areas:

1. Youth and families
2. Employment
3. Low-cost transportation for seniors
4. Neighborhood revitalization
5. Homelessness and AIDS
6. Americans with Disabilities Act (ADA) community facility improvements

To best address these priorities, CDBG resources are concentrated in specified low-income areas, where appropriate, to achieve a more targeted benefit.

These areas include:

- Mission Park Area (Census Tracts 202.02 and 202.12) which includes two low-income census tracts that require significant resources to address quality-of-life issues such as employment and services for at-risk youth and their families;
- Westside Area (Census Tract 205.00); and
- Other low-income areas targeted for residential and commercial/industrial revitalization.

Youth and Families

The Five-Year Consolidated Plan places great emphasis on addressing the needs of youth and families in the Mission Park area which encompasses two low-income census tracts located in the City's core.

To increase quality-of-life opportunities for the Mission Park area youth and their families, the City will continue to allocate CDBG funding to infant, toddler and pre-school counseling services and parent training for 455 children and family counseling and assessment services to support 250 at-risk youth and their families.

A Learn to Swim program was added to the CDBG public services allocation in FY 2009-2010 which provided water safety classes at Washington Park. Dozens of children in the underserved Mission Park area successfully completed the classes last summer, which were provided free of charge to eligible participants. The program will be continued this spring, adding a second location at James Stone pool, and expanded this summer to include more classes and open swim opportunities for families.

In FY 2010-2011, a new youth-focused nutrition program has been added to the proposed CDBG public service allocations. Administered by the San Diego Food Bank, this program provides backpacks full of healthy foods, nutrition information and resource referral information to very low-income students at Lincoln Elementary.

Economic Development

In April 2007, the City Council approved an allocation of \$75,000 to the Escondido Workforce Roundtable for a proposed workforce development project to address Escondido's shortage of skilled workers in the healthcare industry. With these funds, the Youth Healthcare Career Pipeline was created. The Pipeline not only addresses the need for future healthcare workforce, but also trains Escondido residents for immediate healthcare jobs. The program has been up and running for one year and has been tremendously successful, providing 200 individuals per year with healthcare career education activities, 30 youth per year with healthcare job preparation activities and 15 youth per year with direct access to advanced after-school classroom and clinical training that meets state requirements for Certified Nursing Assistant (CNA) certification. An allocation of \$10,000 for FY 2010-2011 will ensure that the pipeline can continue for the entire fiscal year.

Additionally, the economic development priority is being addressed with a continued program at the Escondido Public Library which provides computer access for individuals seeking job information, filling out online job applications, writing résumés, applying online for unemployment benefits, locating housing and finding out about other workforce-related community resources.

A new capital project at the Oak Hill Child Care facility managed by North County Community Services will also address the Economic Development priority by increasing 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.

Finally, the Economic Development priority is being addressed with a new public service allocation of \$10,000 for FY 2010-2011 will provide important job-readiness computer skills targeted at residents of the Mission Park Area.

Transportation Alternatives for Seniors

Another priority specified in the Consolidated Plan is the provision of low-cost transportation alternatives for seniors. This priority will continue to be supported in FY 2010-2011 through the City's Older Adult Services Division, which has assumed the role of the City's coordinating agency for transportation services. The division chooses services (based on the community's needs) and maintains contracts with existing organizations and programs for low-cost transportation and assistance for a minimum of 350 older adults, including transportation to and from nutrition programs, medical appointments, shopping destinations and other vital destinations. These services prevent isolation and also prevent reliance on other more expensive forms of transportation.

In conjunction with senior transportation services, the senior nutrition program at Joslyn Senior Center (JSC) is included among the public service projects to receive continued funding in FY 2010-11. The JSC Nutrition Program serves hot lunch to seniors Monday through Friday. Attributed to the strained economic state, the JSC Nutrition Program has been experiencing a large and unexpected increase in the number of seniors ages 62+ dining in the program.

Lastly, in regard to the senior transportation priority, the City will continue to support meal delivery services for 130 homebound seniors and people with disabilities in FY 2010-2011 to reduce the need for reliance on transportation where possible.

Neighborhood Revitalization

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. The City's FY 2010-2011 One-Year Action Plan continues to place emphasis on completing comprehensive neighborhood street improvements in those targeted low-income areas.

To date, City Council has allocated over \$3 million in CDBG funds to the first three phases of the multi-phase Tulip Street Improvement Project in the Westside Census Tract

(CT 205.00). The first phase of this project, which includes comprehensive street improvements on Tulip Street from 9th to 7th Avenues, was completed in June 2008. The second phase, which includes comprehensive street improvements on Tulip Street from 7th to 5th Avenues, was completed in November 2009. City Council allocated \$1.1 million to phase three in FY 2009-2010 and it is requested that an allocation of \$758,000 be approved for FY 2010-2011. Phases three and four will combine to provide new curbs, gutters, retaining walls, sidewalks with ADA-accessible ramps, street lights, street surfaces and right-of-way improvements on Tulip Street from 5th to 3rd Avenues. Construction of the entire project from 9th to 2nd Avenues is expected to take between five and six years to complete.

The minor home repair program was approved by City Council for FY 2009-2010 which also addressing the neighborhood revitalization priority. The program, administered through the City's Neighborhood Services Division, is up and running and provides minor home repairs to seniors and eligible neighborhood group residents.

Finally, Project NEAT is a new neighborhood revitalization activity proposed to begin in FY 2009-2010 and continue in FY 2010-2011. Project NEAT (Neighborhood Enhancement, Awareness and Training) will utilize code compliance and education activities to improve the appearance and safety of properties, reduce graffiti, assist in developing street improvement projects and coordinate with the police department's gang intervention efforts in eligible neighborhoods.

Specific projects and programs totaling more than \$1.7 million in FY 2010-2011 are identified in activity descriptions in the CDBG Allocations Table attached to this report.

ADA Improvements to Public Facilities

In FY 2010-2011, the City will use 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 using CDBG funds.

Programs to Reduce the Number of Poverty-level Households

- **Business Retention and Expansion Program**

The City's Business Retention and Expansion Program (BREP) has been in existence for 17 years. Due to an aggressive visitation program, approximately 1,760 Escondido businesses have received personal contact and attention. BREP makes visits and provides assistance to all types and sizes of businesses.

The City restructured the Economic Development Division in 2009. This restructure resulted in the Escondido Chamber of Commerce taking the lead role in the BREP program. The visitation schedule is not as rigorous as it was, but visits are taking place. City officials, including City staff and City Council Members, continue to participate in visits and problem-solving activities. Although large employers are targeted, visits are also made to small businesses.

An essential element of the BREP program is the concerted effort to facilitate the expansion and retention of existing Escondido businesses. This is important because they provide the majority of the City's job growth, as well as stability for existing jobs in the community.

The program has been further enhanced by the Escondido Workforce Roundtable which has been meeting since early 2003. Roundtable members include government, education, business and workforce service providers, including a strong presence from the San Diego Workforce Partnership. The goal of the Roundtable is to tie education (K-12, adult education, colleges and universities) with preparing children/people with relevant training and skills that will allow them to find well paying jobs. A job readiness focus and relevant training will prepare low/mod income people for higher paying jobs, thereby increasing their ability to provide for themselves and their families.

- **Business Attraction**

The Assistant City Manager, Economic Development/Real Property Manager, City Council Members and CEO of the Escondido Chamber of Commerce are actively recruiting new businesses. Due to the economic downturn, the loss of many retail businesses and the loss of jobs in all sectors has had a significant impact on City revenues. In spite of this, the economic health of the City, its residents and visitors, as well as keeping Escondido clean and safe, remain a critical focus. Desirable businesses look for clean and safe communities in which to locate.

There continues to be a focus on attracting businesses that provide high paying jobs. The Escondido Research & Technology Center (ERTC), home to the new Palomar Pomerado Hospital West (opening in 2012), is already attracting medical office users. Bio-med and life sciences businesses should also find ERTC a desirable location. A critical mass of these related and complementary businesses will bring high paying jobs to Escondido.

Market information, business recruitment marketing packages, interdepartmental business assistance teams and site location assistance is provided to attract new businesses. Maps of residential projects that depict potential new market share, as well as maps of targeted commercial areas eligible for incentives, can be found on the City's Web site at www.escondido.org/econdev. In addition, the Escondido Property Finder has been a successful tool in allowing businesses, developers and investors to perform their own site searches for available commercial and industrial properties in Escondido via an interactive on-line application.

The Property Finder link is www.escondido.org/econdev/propfinder/index.html.

The City's designated "targeted commercial areas" are often adjacent to residential areas that provide housing for low-income persons. Therefore, efforts to upgrade the business environment are paralleled by efforts to improve neighborhoods because their environments affect each other. The City has been actively revitalizing neighborhood infrastructure (curbs, sidewalks, better and more plentiful street lighting) with CDBG and Capital Improvement funds. As a result, there are safer and more pleasant neighborhoods where residents can walk to nearby shopping, work at nearby businesses and have the ability to influence positive change in their neighborhoods.

- **Small Business Services**

With the restructure of the Economic Development Division, the Escondido Chamber of Commerce has partnered with the Small Business Development Center (SBDC) at Mira Costa College to conduct several small business seminars. A business consultant from the SBDC continues to offer free counseling to interested parties 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. The economic downturn has dramatically affected the number of businesses that qualify for incentives and development has almost stopped. There appears to be some renewed interest in development and new businesses wanting to locate in Escondido, but activity is still minimal. 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.

The Façade and Property Improvement Program (FPIP) has been in existence since 1989. The FPIP provides matching grants of up to \$10,000 for exterior business and property improvements. The City has invested almost \$1 million in this program to improve the aesthetics of the business environment and encourage private business investment. The program has generated a 17:1 return on the investment of public funds. Due to the City's current economic situation, FPIP funds are dwindling and no additional money is available. A few small businesses are currently making FPIP eligible improvements, but activity has dramatically slowed due to the economy.

- **Strategic Marketing**

The "Spend It! In Escondido" shop local campaign was launched in 2007. The campaign's tag line "Buying here benefits you!" The goal of the program is to educate the community that every taxable dollar spent in Escondido benefits important City-provided services like police and fire protection, senior programs, libraries, streets and park maintenance. In addition to the www.SpendItInEscondido.com Web site, the campaign includes decals businesses can display in their shop windows

- **Mercado Business District**

The Mercado Business District is located in the urban core of the City and within one of Escondido's low-income census tracts. The Mercado Business Association has seen positive changes to their business district. Properties in this area are being bought and sold, bringing in new businesses and property improvements. However, the economic downturn has left quite a bit of vacant space.

By mid-2010, construction should begin on a \$1.3 million project for Mercado-themed street improvements on Grand Avenue. Grant funds from SANDAG (San Diego Association of Governments) will finance most of the project cost. The purpose of the project is to make the area pedestrian friendly and attractive to residents and visitors. The design includes new sidewalks, street and pedestrian lighting, landscaping and fountains. A new traffic signal is also planned. These improvements will be a catalyst for

revitalization in the area and will benefit nearby businesses. The end result will make the area more economically viable. The entire City will benefit as the Mercado area revitalizes, makes greater contributions to the local economy and visually enhances a primary gateway into the City.

- **Transit Oriented Development**

In close proximity to the Mercado area is the Escondido Transit Center with full bus service and the Sprinter light rail line, which began full-service operations in March 2008. The Sprinter provides an alternative mode of transportation from Oceanside to Escondido. Numerous stops along the Highway 78 corridor allow Escondido residents to get to places of employment, institutions of higher education and even the beach.

Plans are currently on hold to create intensive development around the Escondido Transit Center. However, the North County Transit District recently announced that they are interested in finding ways to jumpstart this type of development by partnering with local government agencies and private developers.

- **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**

In 2009 Escondido Community Child Development Center received a CDE/CDD 10-year Revolving Facilities loan (-to-own) of \$1,330,000 to install six modular classrooms at a new facility currently under construction at 2269 E. Valley Parkway. This new childcare facility will be licensed to provide subsidized childcare for 144 infants-toddlers and preschool age children when fully operational by October 1, 2010.

Additionally, if approved, the Oak Hill Childcare Facility and street improvements project will expand childcare resources in Escondido.

- **Counseling and Resource Information**

During FY 2010-2011, CDBG will be used to continue to provide assessment, counseling, consultation and education, including parenting and abuse prevention, to extremely low- and low-income families in the Mission Park area. In addition, CDBG will be used to continue to provide counseling, treatment and parent training for infant, toddler and pre-school children and their families at a childcare center in the Mission Park area. Finally, CDBG funds will continue be used to provide training and information services in landlord/tenant rights to the entire Escondido community. These programs assist low-income families and individuals in developing greater self-sufficiency.

- **Recreation and After-School Programs for Low-Income Youth**

During FY 2010-2011, the Learn-to-Swim program will continue to provide a total of 66 classes accommodating approximately 400-500 participants, including youth ages six months – 16 years, in the Mission Park neighborhood. The program will be expanded to include water safety classes at James Stone Pool and open swim programs for families living in the Mission Park area.

Also during FY 2010-2011, the City will use State of California After School Education and Safety (ASES) funding through a contract with the school district for the provision of after-school care at several elementary schools in low-income census tracts and City general funds to support the provision of mobile recreation opportunities in low-income neighborhoods. The City will continue to encourage the provision of expanded recreation services at schools located in targeted geographic areas.

Economic Development Opportunities for Low-Income Families

As part of its effort to strategically concentrate the appropriate resources in the Mission Park area, the City of Escondido will continue to provide support for employment opportunities. In FY 2010-2011 funds will be provided to allow the Youth Healthcare Career Pipeline to continue through the fiscal year.

NON-HOMELESS SPECIAL NEEDS HOUSING

In order to foster and maintain affordable housing, the City will continue to implement and coordinate the objectives, programs and policies for producing and preserving affordable housing. The Housing Division will bring to City Council recommended uses for the available funds within the parameters of federal regulations and the priorities of the Consolidated Plan.

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 County's Department of Housing &

Community Development (HCD). HOPWA funds provide housing assistance for people living with AIDS/HIV. Agencies administering HOPWA subsidies also provide supportive services to subsidy recipients such as transportation, emergency food, legal assistance, benefits counseling and support groups.

Approximately \$381,955 is expected to be awarded in FY 2010-2011 to Fraternity House, Inc. for its residential care facilities in Escondido and Vista. Fraternity House, Inc. is San Diego County's only licensed provider of Residential Care Facilities for the Chronically Ill (RCF-CI) disabled by HIV/AIDS. The organization's programs meet basic needs and provide direct services including housing, 24-hour personal care, assistance adhering to complex medication regimens, nutritious home-cooked meals, access to medical care, clothing, transportation, organized activities and emotional support. Skilled staff is on-site 24 hours a day. The organization is currently caring for two Escondido residents.

Specific HOPWA Objectives

The City of Escondido does not receive HOPWA funds.

Attachment C

**HOME INVESTMENT PARTNERSHIPS PROGRAM
FY 2010-2011**

SUMMARY OF HOME FUNDING CATEGORIES

FUNDING CATEGORY	AMOUNT AVAILABLE
2010 Allocation	\$916,594 *
Interest	5,000
Program Income	<u>150,000</u>
TOTAL AVAILABLE FUNDS	\$1,071,594
<i>10% of Allocation</i>	\$ 91,659
<i>10% of Program Income</i>	<u>15,000</u>
City's Administrative Cost	\$106,659
<u>Mandatory</u>	
CHDO Set-Aside (15% of allocation)	\$137,489
<u>Optional</u>	
CHDO Administration (5% of allocation)	<u>45,830</u>
CHDO Cost	\$183,319
Housing Development	\$781,616
TOTAL EXPENDITURES	\$1,071,594

*Based on 2009 Allocation

City of Escondido
FY 2010-2011 Annual Action Plan
Estimated Allocation: \$1,732,912

Attachment D

CDBG Allocations¹Table
Page 1 of 5

CDBG - CAPITAL PROJECTS				
AGENCY/ <u>Project Title</u> / Priority Addressed	Project Description	Previous Year's Allocation (FY 2009-10)	New CDBG Allocation (FY 2010-11)	Notes:
CITY OF ESCONDIDO <u>Tulip Street Improvement Project Phase 4</u> (5 th to 3 rd Avenues) (Priority #4)	Construction of comprehensive street improvements on Tulip Street from 5 th Avenue north to 3 rd Avenue. Improvements will include new curbs, gutters, retaining walls, sidewalks, street lights and new street surfaces in the public right of way.	\$1,106,913 (Phase 3)	\$758,000	
CITY OF ESCONDIDO <u>Project NEAT</u> (Priority #4)		\$37,000 (Pending Council approval)	\$68,155	
NORTH COUNTY COMMUNITY SERVICES <u>Child Care Facility & Street Improvements</u> (Priorities #1, #2, #4)		\$0	\$300,000	
TOTAL CDBG-CAPITAL PROJECTS (No Cap for this Category)			\$1,126,115	

City of Escondido
FY 2010-2011 Annual Action Plan
Estimated Allocation: \$1,732,912

Attachment D

CDBG Allocations²Table
Page 2 of 5

CDBG - PLANNING & ADMIN PROJECTS				
AGENCY/Project Title/ Priority Addressed	Project Description	Previous Year's Allocation (FY 2009-10)	New CDBG Allocation (FY 2010-11)	Notes:
CITY OF ESCONDIDO <u>CDBG Administration</u>	CDBG Administration – Manage and administer CDBG program, including planning, regulatory compliance, contract administration, and fiscal management.	\$336,582	\$336,582	CDBG admin budget (116-109).
CENTER FOR SOCIAL ADVOCACY <u>Fair Housing Services</u> (HUD-Mandated Program)	This HUD-mandated project will provide accessible education and mediation services for 60 to 90 Escondido tenants and landlords, ensuring equal opportunity in housing, and increasing awareness of fair housing laws.	\$10,000	\$10,000	Total contract with the City of Escondido is in the amount of \$26,000 shared between the Housing Division (\$16,000) and Neighborhood Services Division (\$10,000).
TOTAL CDBG – PLANNING & ADMIN (20% CAP = \$346,582)			\$346,582	

City of Escondido
FY 2010-2011 Annual Action Plan
Estimated Allocation: \$1,732,912

Attachment D

CDBG Allocations³Table
Page 3 of 5

CDBG - PUBLIC SERVICE PROJECTS				
AGENCY/ <u>Project Title</u> / Priority Addressed	Project Description	Previous Year's Allocation (FY 2009-10)	New CDBG Allocation (FY 2010-11)	Notes:
PALOMAR FAMILY COUNSELING <u>Family Counseling/ Assessment Services</u> (Priority #1)	This project will provide screening/ observation and assessment/counseling for 250 low-income school-age youth and their families in the Mission Park area.	\$28,300	\$28,300	
MEALS ON WHEELS GREATER SAN DIEGO <u>Meals on Wheels Escondido</u> (Priority #3)	This project will provide daily meal delivery for 130 housebound Escondido seniors to reduce the need for transportation services.	\$14,300	\$14,300	
ESCONDIDO COMMUNITY CHILD DEVELOPMENT CENTER (ECCDC) <u>Infant/Toddler/Preschool Counseling and Parent Training Program</u> (Priority #1)	This project will provide counseling and parent training, including early intervention, in-classroom and play therapy for 123 infants, toddlers and pre-school children at the Lincoln Avenue site in the Mission Park area.	\$14,300	\$25,000	
CITY OF ESCONDIDO COMMUNITY SERVICES DEPARTMENT OLDER ADULT SERVICES <u>Senior Transportation Services</u> (Priority #3)	This project will provide funds for the implementation of a coordinated transportation system, including door-to- door assisted transportation for a minimum of 350 low-income older adults to shop for groceries and prescriptions, visit health care providers and attend other vital appointments.	\$28,300	\$28,300	

City of Escondido
FY 2010-2011 Annual Action Plan
Estimated Allocation: \$1,732,912

Attachment D

CDBG Allocations⁴Table
Page 4 of 5

CDBG - PUBLIC SERVICE PROJECTS (continued)				
AGENCY/Project Title/ Priority Addressed	Project Description	Previous Year's Allocation (FY 2009-10)	New CDBG Allocation (FY 2010-11)	Notes:
NORTH COUNTY COMMUNITY SERVICES <u>Regional Winter Shelter Project</u> (Priority #5)	This project will provide operational support for a coordinated Regional Winter Shelter providing 100 nights of shelter and case management services for a minimum of 80 homeless persons. 40 beds will be provided in Escondido.	\$33,300	\$33,300	
CITY OF ESCONDIDO COMMUNITY SERVICES DEPARTMENT OLDER ADULT SERVICES <u>Senior Nutrition Program</u> (Priority #3)	This project will provide hot meals to seniors age 60+ at the Joselyn Senior Center	\$60,000	\$60,000	
CITY OF ESCONDIDO COMMUNITY SERVICES DEPARTMENT RECREATION DIVISION <u>Learn to Swim Program</u> (Priority #1)	This project will provide a Learn-to-Swim program promoting water safety within an ethnically diverse population	\$22,700	\$18,900	
CITY OF ESCONDIDO COMMUNITY SERVICES DEPARTMENT ESCONDIDO PUBLIC LIBRARY <u>Workforce Assistance Program</u> (Priority #2)	This project will provide workforce-oriented computer access at the library for individuals seeking job information, filling out online job applications, writing résumés, applying online for unemployment benefits, locating housing and finding out about other workforce-related community resources	\$25,000	\$16,800	

City of Escondido
FY 2010-2011 Annual Action Plan
Estimated Allocation: \$1,732,912

Attachment D

CDBG - PUBLIC SERVICE PROJECTS (continued)				
AGENCY/Project Title/ Priority Addressed	Project Description	Previous Year's Allocation (FY 2009-10)	New CDBG Allocation (FY 2010-11)	Notes:
ESCONDIDO EDUCATION COMPACT <u>Healthcare Career Pipeline</u> (Priority #2)		\$0 (Funded in FY 2008-2009)	\$10,000	
CITY OF ESCONDIDO RECREATION DIVISION <u>Job-Readiness Computer Training</u> (Priority #2)		\$0	\$10,000	
SAN DIEGO FOOD BANK <u>Backpack Program</u> (Priority #1)		\$0	\$10,000	
CITY OF ESCONDIDO NEIGHBORHOOD SERVICES DIVISION <u>SAFEWALK</u> (Priority #1)		\$0	\$5,000	
TOTAL CDBG – PUBLIC SERVICES (15% CAP = \$259,936)			\$259,900	
TOTAL CDBG ALLOCATIONS			\$1,732,597	

Attachment E

CITY OF ESCONDIDO CITIZEN PARTICIPATION PLAN

Citizen participation is a priority for the City of Escondido. This document outlines the City of Escondido's policies and procedures for soliciting and receiving input in the planning, implementation and evaluation of the Consolidated Plan, including Community Development Block Grant (CDBG), HOME, Emergency Shelter Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and McKinney Homeless Grant Programs.

This plan meets the U.S. Department of Housing and Urban Development's (HUD) standards for:

- Involvement of concerned citizens with emphasis on the involvement of low, very low and extremely low income residents where housing and community development funds may be spent;
- Access to meetings with timely notification;
- Access to adequate and timely information;
- Citizen ability to submit comments; and
- Continuity of participation throughout all stages of the program.

Citizen Participation Guidelines

The goal of the Consolidated Plan is to develop a strategic vision of the community in which decent housing, a suitable living environment and expanded economic opportunities are available for low, very low and extremely low income residents. The Consolidated Plan includes housing and non-housing community needs identification. As part of the Consolidated Plan development process, the City encourages maximum citizen participation in order to ensure funds are spent on the priority needs of the residents. Following are the guidelines for citizen participation as they relate to the Consolidated Plan:

1. Identify housing and community development needs in order to develop the three to five year Housing and Community Development Strategic Plan (Consolidated Plan) including the One-Year Action Plan.
 - a) In order to obtain information on community planning and development needs in the City prior to any public meeting, a notice of public hearing shall be published in local English and Spanish-language newspapers. In addition, on an ongoing basis, the City will attempt to involve citizens in the planning process through neighborhood meetings with residents of areas affected by projects and funding, E-mail notices to interested parties and community stakeholders and public forums.
 - b) The notice soliciting comment on expenditure of the annual allocation of funds will include the amount of assistance the city expects to receive, the range of activities to be undertaken, the amount that will benefit persons of very low and low income and the plans to minimize displacement of persons.

Attachment E

- c) Staff will provide technical assistance to help citizens and agencies provide input and help shape the Consolidated Plan. Information from the Comprehensive Housing Affordability Strategy (CHAS) as well as graphic information, including maps, shall be provided and considered in the development of the Consolidated Plan.
 - d) The City shall hold at least one public meeting/hearing to obtain citizen input and proposals on housing and non-housing community development needs. All public hearings will be held in a location convenient to potential and actual beneficiaries. The City encourages the participation of non-English-speaking citizens in all aspects of the planning process. Translation is provided at public meetings and hearings upon request, and citizens with mobility, visual or hearing impairments are assured access to all public meetings and hearings. Meetings and hearings are held in rooms accessible to persons with disabilities. Translation services will be provided, on request, for citizens with hearing impairments.
- 2. Proposals for federally funded community development and housing projects are accepted year-round from agencies, businesses and individuals in the Escondido community. During the Consolidated Plan period, funding proposals will be reviewed by City staff, including members of the Housing Division and Neighborhood Services Division, and presented for review at a noticed public hearing/meeting. All proposals will be reviewed with an intent to minimize displacement of persons. Should displacement be unavoidable, the City will assist any persons displaced as required by federal and state law. Information about possible displacement will be provided in a public forum in a timely manner as required by statutes and regulations regarding relocation.
- 3. City staff shall provide technical assistance and information to the public on the CDBG, HOME, ESG, HOPWA and McKinney application processes, regulations and requirements as requested. Special focus will be given to low income persons or to groups representative of low, very low and extremely low income.
- 4. Proposals to assist the City with implementing each One-Year Action Plan shall be presented and made available for comment at a noticed public hearing.
 - a) A community wide public notice in local English and Spanish-language newspapers shall be published at least 14 days prior to the public hearing. The agenda of this hearing shall be posted in a readily accessible public place for at least 72 hours prior to the meeting.
 - b) The City Council shall conduct a public hearing in a location convenient to beneficiaries and at a time a maximum number of residents will be able to attend. An analysis of project proposals shall be discussed at the meeting. All citizen comments will be reviewed as part of the hearing.
- 5. A summary of the proposed One-Year Action Plan will be published in local English and Spanish-language newspapers. Copies of the entire draft

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Consolidated Plan and One-Year Action Plan will be available for review at City Hall and on the City's Web site.

- a) The summary shall describe the contents and purpose of the Consolidated Plan and One-Year Action Plan and will include a list of the locations where copies of the entire plan may be examined. The public will be given at least 30 days to submit oral or written comments on the draft plan.
6. The City Council shall consider and review all public comments and respond as necessary. After approval and response to comments Council will authorize submittal of the Consolidated Plan and Annual Action Plan to the local area HUD office.
 - a) Copies of the proposed Consolidated Plan, One-Year Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER), HOME Reports and the Citizen Participation Plan will be on file at City Hall and posted on the City's Web site.

Amendments to the Consolidated Plan

1. Substantial Change

The City will adhere to this Citizen Participation Plan whenever its Consolidated Plan (including the One-Year Action Plan) is amended. Federal regulations require a jurisdiction to amend its final Plan whenever a decision is made to cancel an identified project, to add a project not previously identified or to substantially change the purpose, scope, location or beneficiaries of an identified activity.

The City defines a substantial change to the scope of a project as a change that affects the funding level of more than \$25,000 for projects budgeted at \$100,000 or less, or greater than 25 percent of projects budgeted at more than \$100,000.

2. Amendment Process

When an amendment is made to a Plan, a public hearing will be conducted. The hearing will be noticed in local English and Spanish-language publications. The notice will include an explanation of the change and how it will affect future funding. A 30 day period will be allowed for citizen comment before the change is submitted to the local HUD area office.

The revised plan will be available to the public at City Hall and on the City's Web site.

Performance Reports

The Consolidated Annual Performance and Evaluation Report (CAPER) shall be completed at the end of each fiscal year. The CAPER reviews and reports on the progress the City has made in carrying out the priorities listed in the Consolidated Plan and the actions described in the One-Year Action Plan. The CAPER includes a

Attachment E

description of resources available, the families and persons assisted, the actions taken to further fair housing and the progress in meeting specific objectives of providing affordable housing. The public is encouraged to participate in the development of the report.

1. A notice informing the public that the CAPER is available for comment will be published in local English and Spanish-language publications. The City will allow 15 days for public comment before the report is submitted to the local HUD area office. All oral and written comments will be accepted and responded to as indicated by the Citizen Participation Plan.
2. The CAPER will be available at City Hall and on the City's Web site.

Response by the City to Complaints

The City recognizes that despite making significant efforts at outreach and providing technical assistance to the community, there may be complaints and/or grievances filed regarding the operation of the City's housing and community development programs. All grievances and complaints related to the Consolidated Plan, amendments to the Plan and the CAPER will be addressed in writing to the Director of Community Services at Escondido City Hall, 201 North Broadway, Escondido, CA 92025. The City will provide a timely substantive written response within 15 working days.

Access to Records

All information and records related to the Consolidated Plan and the City's use of assistance under the programs covered by the Plan for the preceding five years will be made available to citizens, public agencies and other interested parties within 15 working days. Records will be available for five years.

RESOLUTION NO. 2010-39

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
APPROVING THE CITY OF ESCONDIDO FY
2010-2015 CONSOLIDATED PLAN AND FY
2010-2011 ONE-YEAR ACTION PLAN AND
AUTHORIZING THE COMMUNITY SERVICES
DIRECTOR AND CITY CLERK TO EXECUTE
AGREEMENTS FOR USE OF COMMUNITY
DEVELOPMENT BLOCK GRANT (CDBG)
FUNDS

WHEREAS, the Consolidated Plan is a requirement of the U.S. Department of Housing and Urban Development (HUD), which will locally determine how federal funds for four formula-based programs, including Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA), will be used to benefit low- and moderate-income persons in Escondido over the next five years; and

WHEREAS, the City of Escondido has conducted an extensive planning process involving low-income residents, community-based residents, community-based housing, health, social and community development providers, and City staff to develop the Consolidated Plan; and

WHEREAS, the Consolidated Plan includes a community assessment of the City's housing, homeless and community development needs; a comprehensive citizen participation plan; a five-year strategic plan; priorities to benefit low-income persons; and a one-year action plan to address established priorities;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. The City Council approves the City of Escondido FY 2010-2015 Consolidated Plan. A copy of the Consolidated Plan Executive Summary is attached as Exhibit "A" and incorporated by this reference.
3. That the Director of Community Services and the City Clerk are hereby authorized to execute contracts with the following providers in the following amounts, attached as Exhibit "B" to this resolution and incorporated by this reference, using the general form of contract, attached as Exhibit "C", and incorporated by this reference, subject to minor adjustments as may be approved by the Director and subject to final approval as to form by the City Attorney.

City of Escondido

Five-Year Consolidated Plan

FY 2010 – 2015

Executive Summary

The Consolidated Plan is a federally required document. It incorporates the application of 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 through the County of San Diego.

The Consolidated Plan is administered through an interdepartmental project team consisting of representatives from the Housing, Neighborhood Services and Economic Development Divisions. The project team obtained significant input from other City departments, local community groups and stakeholders in the development of this document.

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

The first goal is to provide a suitable living environment. This includes improving the safety and livability of neighborhoods, organizing working and viable neighborhood groups, increasing access to quality facilities and services, reducing the isolation of income groups within areas by expanding affordable housing opportunities and revitalizing deteriorating neighborhoods, restoring and preserving natural and physical features of special value for historic, architectural, or aesthetic reasons and conserving energy resources.

The second goal is to provide decent housing. This includes retaining the affordable housing stock, increase the availability of permanent housing that is affordable to low-income households without discrimination, assisting homeless persons to obtain affordable housing and increasing supportive housing that includes structural features and services to enable persons with special needs to live independently.

The third goal is to expand economic opportunities. This includes creating and retaining jobs accessible to low and very low-income persons, providing access to credit for community development that promotes long-term economic and social viability and empowering low-income persons in federally-assisted and public housing to achieve self-sufficiency.

The consolidated strategy allows a community to establish a unified vision for housing and community development actions through a collaborative effort and process. By consolidating the submission and reporting requirement for HUD formula programs, the federal government is providing local jurisdictions with an opportunity to better shape the various programs into effective, coordinated neighborhood and community development strategies. It also creates the

opportunity for strategic planning and citizen participation to occur in a comprehensive framework and for the elimination of duplicate efforts at the local level. It integrates economic, physical, environmental, community and human development in a comprehensive and coordinated fashion so that families and communities can work together and succeed. The strategic plan also sets goals, objectives and performance benchmarks for measuring progress, establishes a framework for assessing new knowledge and experience and identifies how these provisions can contribute to a successful plan for revitalization.

Escondido's Consolidated Plan includes four major sections. Each represents a component of the comprehensive plan to address local affordable housing and community development needs for the next five year period: (1) Citizen participation; (2) Housing and community development needs assessment, which provides the foundation for establishing priorities and allocating federal, state and local resources; (3) Priorities, strategies, objectives and resources for addressing the needs identified in the plan for a five-year period; (4) A description of the proposed projects to be funded through HUD formula programs in the first year of the Consolidated Plan.

Citizen Participation

Citizen participation continues to be a priority for the City of Escondido. Citizens are involved in the identification of community needs on an ongoing basis through community meetings, public hearings, notifications and neighborhood-based groups. The community needs provide important information on which to base decisions regarding the allocation of federal funds addressed by the Consolidated Plan.

Housing and Community Development Needs

During 2009, an assessment of housing and community development needs of Escondido residents was conducted by the City of Escondido. The purpose of this evaluation was to account for those needs in the allocation of federal funding and the development of the Consolidated Plan. The assessment process utilized a range of strategies, including community surveys, community reports, focus groups, neighborhood-based meetings, and discussions with key informants.

Housing Stock Characteristics

Based on 2000 Census data, the tenure distribution of the City's occupied housing units was 53 percent owner-occupied and 47 percent renter-occupied. Large housing units with three or more bedrooms were more prevalent in ownership housing stock than rental housing. As compared to the County, Escondido has a higher rate of overcrowding. This was a direct consequence of high housing costs in Escondido. The 2000 Census data reported the median monthly rent for Escondido as \$693 and rental vacancy rate as 2.7. Approximately 50 percent of the rental households in the City pay more than 30 percent of their income toward their housing costs and approximately 33 percent of owners pay more than 30 percent of their income toward housing costs. The San Diego County Apartment Association conducts a semi-annual rental rate survey within the County. The average rent in Escondido for a one bedroom apartment in the Fall of 2009 was \$910. The weighted rent for all unit types countywide according to the same survey was \$1,189.

Housing Needs

The current recession and housing market correction has left many families struggling to stay in their homes. Housing values have fallen 35 to 40 percent from their 2006 peak and unemployment in California was over 12 percent in January 2010. The plunge in housing values coupled with the dramatic increase in unemployment numbers has greatly impacted the needs of not just low-income residents, but moderate-income residents as well. There has recently been an encouraging sign in the housing market. The median price of a home in California experienced its first year-to-year gain in over two years during November 2009. Economic indicators describe continued erosion in the ability of low and moderate income families to meet basic housing needs.

The particular housing needs of low- and moderate-income households are identified by household type and housing problems. Households with housing problems include those that occupy units with physical defects, live in overcrowded conditions, have a housing cost burden exceeding 30 percent of gross income, and have a severe housing cost burden exceeding 50 percent of gross income. Based on these criteria and 2000 Census data, 61 percent of the renters experience some housing problems compared to 34 percent of the owners. Approximately 85 percent of the large family renters in Escondido were confronted with one or more housing problems.

Concentration of Low- and Moderate-Income Households

According to the 2000 census, the City of Escondido Median Family Income (MFI) in 2000 was \$48,456 and the County's MFI was \$53,438. For purposes of the Consolidated Plan, HUD established the following income categories based on the MFI for the nearest Metropolitan Statistical Area (MSA), which for Escondido is the San Diego MSA.

- Extremely Low-Income (0-30 percent of Area MFI)
- Low-Income (31-50 percent of Area MFI)
- Moderate-Income (51-80 percent of Area MFI)

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.

Racial/Ethnic Concentrations

Many of Escondido's neighborhoods are reflections of its residents, with various cultural groups living together. Non-Hispanic Whites no longer comprise the predominant ethnic group in Escondido. Population data from the San Diego Association of Governments (SANDAG) indicate the Hispanic population in the City is 65,152 and the Non-Hispanic White population is 64,573. Historically the majority of the City's Hispanic population has been concentrated in the downtown area. A clearer picture of concentration of populations should be available with the 2010 census.

Homeless Needs

The goal of the Consolidated Plan is to maintain services and facilities that constitute a Continuum of Care for the homeless in the region. At its entry point, the continuum consists of basic survival services, such as food, clothing, and shelter. Although temporary, this setting includes assessment and referral services to short- and long-term transitional housing arrangements. The goal of a comprehensive regional homeless service system is to provide a continuum of care that transitions homeless individuals and families to self-sufficiency and permanent housing.

Escondido has a variety of facilities and services to meet the needs of those who are homeless, including emergency shelters, as well as transitional and permanent housing. Homeless facilities and services target a wide variety of groups, including families with children. Programs are also available to meet the needs of homeless sub-populations, including the severely mentally ill, alcoholics and drug addicts, the dually diagnosed, persons with physical and developmental disabilities, victims of domestic violence, and persons with AIDS and related diseases.

The Alliance for Regional Solutions (ARS) was formed in response to the issues regarding where to site emergency winter shelters for the homeless in North San Diego County. This is the third year of north county's Regional Winter Shelter system which includes the 12 bed capacity North Inland rotational Interfaith Shelter Network case managed by Interfaith Community services for men, women and children, the 12 bed capacity North Coastal rotational Interfaith Shelter Network for men, women and children, case managed by Community Resource Center, the 75 bed capacity Carlsbad based La Posada de Guadalupe operated by Catholic Charities, the 50 bed capacity Bread of Life Rescue Mission in Oceanside for men and women, the 49 bed Vista-based Operation Hope for women and families with children, and the 45 capacity Escondido Shelter operated by The Salvation Army for men and women. The total system static capacity is 243 beds. This is essentially the same as last year's capacity. Last year, a total of 637 men, women and children received shelter in these 243 beds.

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA) which designated \$1.5 billion 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 Homelessness Prevention and Rapid-Re-Housing Program (HPRP) funds were distributed through the Department of Housing and Urban Development (HUD) by formula allocation, and the City of Escondido received \$709,782. The City will target the funds to renter households at risk of becoming homeless. Rental assistance will be provided to those families and individuals who earn at or below 50% of Area Median Income based on household size.

Non-Homeless Persons with Special Needs

This group is described as persons who are not homeless but who require housing or supportive services, including the elderly and frail elderly, persons with disabilities (mental, physical, and developmental), persons with alcohol or other drug addiction, and persons with HIV/AIDS and their families.

The 2000 Census reported a total of 18,565 persons in Escondido age 60 and over. The 2000 Comprehensive Housing Affordability Strategy (CHAS) indicated more than 57 percent of elderly 1- and 2-member households in Escondido have low or moderate incomes. The CHAS also indicated that approximately 20 percent (1,970) of the City's lower income elderly households pay more than 50 percent of their income for housing.

A person is considered to have a disability if he or she has difficulty performing certain functions (i.e., seeing, hearing, talking, walking, climbing stairs, and lifting and carrying). In addition, a person is considered disabled if he or she has difficulty with certain social roles (i.e., doing school work, working at a job, or around the house). In Escondido, the 2000 Census reports 19.9 percent of residents age 5 and older, 19.1 percent of those age 16 to 64, and 49.4 percent of residents age 65 and older to have some form of a disability.

Currently, elderly persons, individuals with physical and mental disabilities, persons with alcohol and other drug addictions and persons diagnosed with AIDS and related diseases have access to housing services and facilities that provide supportive services and independent living skills. An inventory of these facilities includes retirement communities, residential care facilities for the elderly, skilled nursing facilities, board and care residential facilities, transitional housing, referral/support services facilities and residential homes for individuals with substance abuse issues and AIDS.

Barriers to Affordable Housing

Government factors and market conditions pose constraints to the provision of adequate and affordable housing. Constraints to housing production significantly impact households with lower incomes and special needs. Government constraints, such as land use controls, site improvement requirements, building codes, development processing procedures and fees may serve as a constraint to housing development. In this case, the City has the ability to introduce actions to minimize the adverse influence of these factors on affordable housing production. Other non-governmental constraints include land costs, construction costs, and financing costs, which are not controlled by the City; therefore, the City has a limited ability to influence these factors.

Fair Housing

The City of Escondido maintains a strong commitment to the provision of fair housing in the community. The goal of the City's fair housing program is to affirmatively further fair housing through specific educational, outreach and monitoring activities. The City contracts with Center for Social Advocacy to provide comprehensive fair housing services. A new Assessment of Impediments to Fair Housing Choice (AI) is currently being prepared on a regional basis.

Community Development Needs

The community development needs of homeless and non-homeless persons living in Escondido are described in this section (the housing needs of these groups are discussed in the Housing Needs section above). General community development needs are identified as well as the special needs of select groups. Citizen participation was solicited and achieved as a part of the overall needs assessment process and forms the basis for all of the community development needs identified in this section.

Discussions with community members and key stakeholders revealed a variety of both assets and deficits in the City, especially in the targeted low-income areas. This section contains statistical and analytical information that provides an overall picture of the City's community development needs, as well as how community input factors into prioritizing the identified needs. The identified needs are summarized here as follows:

- There is a need for more youth activities and programs and safe places for youth to gather; especially for at-risk youth.
- There is a need for crime prevention and gang diversion activities for at-risk youth, including counseling programs, as well as drug and alcohol prevention and treatment services which all play an important role in the reduction of violence.
- There is a continuing need for affordable child care and after-school care for pre-school and school-aged children.
- There is a need for access to affordable health care as well as affordable health insurance, especially for children.
- Senior services are needed to address the special needs of the City's growing elderly population, including transportation and affordable health care.
- New public facilities are needed to keep pace with population growth and aging infrastructure. Such needs include new fire and police stations, new parks in low-income areas and improved streets, sidewalks, curbs, gutters and other related improvements in low-income neighborhoods.

Economic Development

Quality of life depends greatly on the economic vitality of the City and the region. In Escondido, nearly 14 percent of Escondido's residents have been determined to be living in poverty.

To meet the needs of Escondido's low-income population, job training and career guidance opportunities and programs are available throughout the City, as well as English as a Second Language (ESL) classes to overcome language barriers; culturally appropriate job training; affordable childcare; and affordable, and flexible transportation alternatives. This section contains statistical and analytical information that provides an overall picture of the City's economic development needs.

Housing Priorities

The housing assistance needs of Escondido households far exceed the resources that are projected to be available over the five-year time period of the Consolidated Plan. The needs assessment process identified a number of significant findings related to the housing assistance needs of lower-income residents of Escondido. An analysis of housing data contained in the 2000 Census data, as well as a partial update of the data from our local council of governments indicates:

- A fluctuating housing market and high unemployment leading to unaffordable housing costs.
- A large number of renter households continue to need housing assistance.

- A mismatch exists between the current housing demand and existing supply.
- A trend is emerging toward increasing foreclosure of single family properties.
- A significant number of senior households need assistance in maintaining their homes.

Based on these findings, the following have been adopted for the investment of available housing funds over the five-year time period of the Consolidated Plan:

1. Expand the supply of affordable rental housing.
2. Conserve the supply of existing ownership housing.
3. Promote neighborhood stability by increasing the length of tenure of renter households.
4. Increase home ownership opportunities.
5. Increase the supply of well-designed multi-family units.
6. Expand the supply of three- and four-bedroom rental units for low-income families

The primary programmatic measures for addressing the identified priorities include subsidized construction of new units, subsidized acquisition and/or rehabilitation of existing units, and direct assistance to lower-income households. Subsidized new construction is appropriate primarily in cases where there is an absolute shortage of housing units overall or within a particular segment of the market. Acquisition and/or rehabilitation of the existing housing stock will be undertaken when the resulting housing will be suitable for the households with unmet housing needs.

Community Development Priorities

Based on a needs assessment, statistical data and community input, six priority areas were identified for strategy recommendations and investment of available CDBG funds to be carried forward for the next five-year period:

1. Youth: Increase quality-of-life opportunities for Mission Park Area students and their families by improving their social and physical environment.
2. Economic Development: Provide economic development opportunities for Mission Park Area residents.
3. Transportation Alternatives for Seniors: Explore and develop coordinated, low-cost, flexible transportation alternatives for seniors.
4. Neighborhood Revitalization: Identify and improve low-income neighborhoods appropriate for revitalization incorporating direct citizen involvement.
5. Homelessness/AIDS: 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.
6. ADA Improvements to Public Facilities: 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.

The specific objectives, rationale for selection, basis for targeted concentration and strategies for implementation are described in detail in the Community Development Priority Needs, Strategies and Objectives section for each priority.

Anti-Poverty Strategy

The City's goal is to encourage a diverse and healthy economic base to provide jobs and services for Escondido residents. A diverse and healthy local economic base is an important prerequisite for raising the incomes of those who are living in poverty. Economic goals and policies are aimed at creating and sustaining a diverse and healthy economy, as well as helping individuals to take advantage of available resources.

The City's goals, policies and programs for reducing poverty are outlined in detail in this section of Plan, including programs such as: job training and counseling programs, business retention, expansion and attraction programs, local economic development programs, active partnerships with regional economic development boards, coordination with affordable housing developments, and others.

Resources

The Consolidated Plan lists all federal and local funding resources anticipated to be available to support affordable housing and community development activities in the City of Escondido during the five year Consolidated Plan period and during the FY 2010-2011 One Year Action Plan period.

FY 2010-2011 Action Plan

The City of Escondido will continue to rely on an innovative, multi-faceted approach to provide affordable housing for its low-income residents. Partnerships comprised of public, private and nonprofit agencies will continue to maximize the use of resources to finance acquisition, rehabilitation, new construction, homebuyer activities, provision of rental housing and support services in the community.

The City of Escondido Neighborhood Services Division will serve as the lead agency in the administration of all CDBG projects proposed in this Consolidated Plan, and will contract with local nonprofit agencies and organizations to administer activities described in the One-Year Action Plan which are not undertaken directly by the City. In some cases, contract agencies, or subrecipients, will be responsible for implementation of programs.

A broad spectrum of diverse yet complementary projects is proposed for FY 2010-2011 CDBG funding. These projects include the provision of fair housing services; transportation, in-home meal delivery and other related services for seniors; child care; counseling programs to assist at-risk families with children; career guidance services and recreation opportunities for underserved youth. In addition, proposed projects include addressing the City's infrastructure needs as well as addressing complex issues associated with homeless individuals and families. Although funded projects will be well distributed throughout the City, some resources, where appropriate,

will be strategically positioned in the City's core, low-income areas to achieve a more targeted benefit.

Monitoring

In order to maintain the Consolidated Plan as a feasible, working document it must be reviewed annually and updated every three to five years. Periodic review will allow the City to evaluate the progress made toward attaining established priorities and goals. It will also provide the City with an opportunity to adjust programs to better respond to changing needs and fiscal conditions within the community.

Furthermore, all housing programs supported with federal funds and subject to the Consolidated Plan will be monitored on a regular basis to ensure compliance with occupancy and affordability requirements.

Consolidated Plan Purpose and Administration

The purpose of the Consolidated Plan is to document the unified vision for future community improvement in the City of Escondido. The preparation of this document is a federally mandated program for public agencies seeking financial grants through the U.S. Department of Housing and Urban Development. The Plan requires agencies to collaborate with citizens, neighborhood groups and community leaders and establish a strategy for comprehensively revitalizing low- and moderate-income areas that contain a high percentage of ethnic diversity.

The Consolidated Plan provides a strategic course of action for revitalization. Moreover, it is the means to analyze the full local context and the linkages to the community. The Plan builds on local assets and coordinates a response to the needs of the community. The Plan is also intended to integrate economic, physical, environmental, and human development in a comprehensive and coordinated fashion so that individuals, families and the community can thrive. Goals and performance benchmarks for measuring progress are provided in the Plan. These performance measurements establish a framework for assessing new information and experiences in order to determine how they can contribute to a successful strategy for revitalization.

The Consolidated Plan is administered through an interdepartmental team consisting of representatives from the Housing Division, Neighborhood Services Division and the Economic Development Division. Primary responsibility for the administration of CDBG proposals is assigned to the Neighborhood Services Division, and HOME projects are administered by the Housing Division. The Planning Division reviews all applications for conformance with zoning and environmental review standards.

**Proposed Service Providers
 CDBG and HOME-Funded Activities
 FY 2010-2011**

CENTER FOR SOCIAL ADVOCACY <u>Fair Housing Services</u>	This HUD-mandated project will provide accessible education and mediation services for 60 to 90 Escondido tenants and landlords, ensuring equal opportunity in housing, and increasing awareness of fair housing laws.	\$26,000 (\$10,000 CDBG, \$16,000 HOME)
PALOMAR FAMILY COUNSELING <u>Family Counseling/ Assessment Services</u>	This project will provide screening/ observation and assessment/counseling for 250 low-income school-age youth and their families in the Mission Park area.	\$28,300 CDBG
MEALS ON WHEELS GREATER SAN DIEGO <u>Meals on Wheels Escondido</u>	This project will provide daily meal delivery for 130 housebound Escondido seniors to reduce the need for transportation services.	\$14,300 CDBG
ESCONDIDO COMMUNITY CHILD DEVELOPMENT CENTER (ECCDC) <u>Infant/Toddler/Preschool Counseling and Parent Training Program</u>	This project will provide counseling and parent training, including early intervention, in-classroom and play therapy for 123 infants, toddlers and pre-school children at the Lincoln Avenue site in the Mission Park area.	\$25,000 CDBG
NORTH COUNTY COMMUNITY SERVICES <u>Regional Winter Shelter Project</u>	This project will provide operational support for a coordinated Regional Winter Shelter providing 100 nights of shelter and case management services for a minimum of 80 homeless persons. 40 beds will be provided in Escondido.	\$33,300 CDBG
ESCONDIDO EDUCATION COMPACT <u>Healthcare Career Pipeline</u>	This program will continue to provide case management, career counseling and guidance to low and moderate income individuals entering the healthcare industry.	\$10,000 CDBG
SAN DIEGO FOOD BANK <u>Backpack Program</u>	This project will provide weekend supplies of nutritious food to very low income elementary school students in the Mission Park Area.	\$10,000 CDBG

AGREEMENT
BETWEEN THE CITY OF ESCONDIDO AND

FOR THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

This Agreement, made and entered into by and between the City of Escondido, a municipal corporation of the state of California, hereinafter "CITY," and _____, hereinafter "SUBRECIPIENT."

WITNESSETH:

RECITALS:

1. CITY is recipient of funds from the United States Department of Housing and Urban Development (hereinafter "HUD") pursuant to Title I of the Housing and Community Development Act of 1974 (41 U.S.C. 5301-5320) as amended (hereinafter "ACT").
2. CITY has approved the provision of federal funds under the Act to be used by the SUBRECIPIENT as provided in its "Work Plan," attached hereto as Attachment "A" and as further modified by any negotiated Statement of Work.
3. SUBRECIPIENT represents that it shall perform the work as set forth in the Work Plan and Statement of Work.
4. SUBRECIPIENT warrants that it has the expertise and experience to perform the work set forth in the Work Plan and Statement of Work.
5. SUBRECIPIENT represents that it shall perform the work as set forth in the Work Plan and Statement of Work pursuant to the "Budget," attached hereto as Attachment "B" and incorporated herein by reference.
6. CITY shall provide Community Development Block Grant "CDBG" funds to the SUBRECIPIENT in the amount set forth in the Budget, and pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and based on the mutual covenants below, the parties hereby agree as follows:

A. SUBRECIPIENT OBLIGATIONS

1. Use of Funds. SUBRECIPIENT agrees to use federal funds provided by CITY to SUBRECIPIENT pursuant to the provisions of this Agreement, the Work Plan and Statement of Work, and Budget for said program.

SUBRECIPIENT'S failure to perform as required may, in addition to other remedies set forth in this Agreement, result in readjustment of the amount of funds CITY is otherwise obligated to pay to SUBRECIPIENT under Section B hereof.

SUBRECIPIENT agrees to use said funds to pay for necessary and reasonable costs to operate said program. Said amount shall include wages, administrative costs, employee benefits comparable to other similarly situated employees, and other allowable program costs as detailed in the Budget.

If SUBRECIPIENT uses the federal funds provided by CITY for the purpose of acquisition of real property or to reduce the cost of financing of acquisition of real property, there shall be no alteration of the use of the real property so acquired and no additional encumbrances placed on such property during the period of this agreement without the prior written consent of CITY, which consent shall not be unreasonably withheld.

SUBRECIPIENT shall, upon receipt of such federal funds for the purpose of acquiring or improving real property, cause a Deed of Trust, secured by a Promissory Note, to be executed and recorded, in favor of the CITY, for the amount of the federal funds provided by the CITY.

If SUBRECIPIENT uses federal funds provided by the CITY as set out in the preceding paragraph, and further encumbers the real property acquired without first giving notice to the CITY, and obtaining the CITY's written consent, which consent shall not be unreasonably withheld, such action on the part of the SUBRECIPIENT will be cause for termination or revocation of this agreement and reversion of assets as delineated in paragraph A.(15.) or collection on any Promissory Note executed in favor of the CITY.

2. Statement of Work. SUBRECIPIENT represents that it will negotiate a Statement of Work in accordance with the Work Plan that will include an accurate schedule for performance and completion of the work. These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.

3. Budget. SUBRECIPIENT represents that the Budget includes only allowable costs and an accurate analysis of costs applicable to CDBG funds pursuant to 24 CFR 570.502, which includes requirements for compliance with the following in addition to other requirements:

- a. If SUBRECIPIENT is a governmental entity, Office of Management and Budget ("OMB") Circular Nos. A-87, A-128 (24 CFR Part 44), and with certain sections of 24 CFR Part 85; or
- b. If SUBRECIPIENT is not a governmental entity, OMB Circular No. A-122, "Cost Principles for Nonprofit Organizations" or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and certain Attachments to OMB Circular No. A-110 (A, B, C, F, N, H & O).

These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.

4. Records and Reports. The SUBRECIPIENT shall maintain records and reports as required by Federal Regulation 24 CFR 570.506, 570.503, OMB A-110, and 24 CFR 85.32-34 which may include but are not limited to:

a. Records.

- (1) Documentation providing a full description of the activity undertaken.
- (2) Documentation demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program.
- (3) Documentation of the number, race and income level of persons and/or families participating in or benefiting the SUBRECIPIENT'S program.
- (4) Documentation of all CDBG funds received from CITY.
- (5) Documentation of expenses as identified in the Budget.
- (6) Property and equipment acquisition, management and disposition documentation.
- (7) Any such other related records as CITY shall require.

b. Reports.

- (1) Payment Request/Invoice
 - (2) Quarterly Performance and Demographic Reports
 - (3) Final Evaluation Report
 - (4) Any such other reports as CITY shall reasonably require.
5. Program Income. Transfers of grant funds by the City to the SUBRECIPIENT shall be adjusted according to the principles described in 24 CFR 570.504(b)(2)(i) and (ii), and 24CFR570.504(2)(i). Any program income on hand when this Agreement expires, or received after this Agreement's expiration, shall be paid to the CITY as required by Section A-15 of this Agreement and 24 CFR 570.503(b)(8).
6. Uniform Administrative Requirements. The SUBRECIPIENT shall comply with applicable uniform administrative requirements as described in 24 CFR 570.502, OMB Circular A-133 and 24 CFR 570 Subpart K.
7. Separation of Accounts. All funds received by SUBRECIPIENT from City pursuant to this Agreement shall be maintained separate and apart from any other fund of SUBRECIPIENT or of any principal or member of SUBRECIPIENT in an account in a federally insured banking or savings and loan institution. No monies shall be withdrawn from such account except for expenditures authorized by this Agreement.
8. Retention of Records. All accounting records and evidence pertaining to all costs of SUBRECIPIENT and all documents related to this Agreement shall be kept available at SUBRECIPIENT'S office or place of business for the duration of the agreement and thereafter for three (3) years after completion of an audit. Records which relate to (a) complaints, claims, administrative proceedings or litigation arising out of the performance of this Agreement, or (b) costs and expenses of this Agreement to which CITY or any other governmental agency takes exception, shall be retained beyond the three (3) years until resolution or disposition of such appeals, litigation claims, or exceptions.
9. Compliance with Applicable Laws. SUBRECIPIENT agrees to comply fully with all applicable federal, state and local laws, ordinances, regulations, and permits including but not limited to federal CDBG financial and contractual procedures, and OMB Circular Nos. A-87, A-

122, and A-110 with Attachments A, B, C, F, H, N, and O, as set forth in 24 CFR 570.502(b). Said federal documents are on file in the City of Escondido Community Development Block Grant Division, 201 N. Broadway, Escondido, CA 92025, and are incorporated herein by reference. The SUBRECIPIENT shall secure any new permits required by authorities herein with jurisdiction over the project, and shall maintain all presently required permits. The SUBRECIPIENT shall ensure that the requirements of the California Environmental Quality Act are met for any permits or other entitlements required to carry out the terms of this Agreement.

SUBRECIPIENT agrees to comply fully with all applicable federal, state and local laws, ordinances, regulations, and permits regarding provision of services to non-U.S. citizens.

No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

10. Affirmative Action Policy.

a. Provision of Program Services.

- (1) SUBRECIPIENT shall not, on the ground of race, color, national origin, sex or disability, exclude any person from

participation in, deny any person the benefits of, or subject any person to discrimination under any program or activity funded in whole or in part with CDBG funds.

- (2) SUBRECIPIENT shall not, under any program or activity funded in whole or in part with CDBG funds, on the ground of race, color, national origin, sex or disability:
 - (a) Deny any facilities, services, financial aid or other benefits provided under the program or activity.
 - (b) Provide any facilities, services, financial aid or other benefits which are different or are provided in a different form from that provided to others under the program or activity.
 - (c) Subject to segregated or separate treatment in any facility in, or in any matter of process related to receipt of any service or benefit under the program or activity.
 - (d) Restrict in any way access to, or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits under the program or activity.
 - (e) Treat an individual differently from others in determining whether the individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which the individual must meet in order to be provided any facilities, services or other benefit provided under the program or activity as an employee.
 - (f) Deny an opportunity to participate in a program or activity as an employee.
- (3) SUBRECIPIENT may not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination on the basis of race, color, national origin, sex or disability, or have the effect of defeating or substantially impairing accomplishment of the objectives of

the program or activity with respect to individuals of a particular race, color, national origin, sex or disability.

- (4) SUBRECIPIENT, in determining the site or location of housing or facilities provided in whole or in part with CDBG funds, may not make selections of such site or location which have the effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination on the ground of race, color, national origin, sex or disability, or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the Civil Rights Act of 1964 and amendments thereto.
- (5)
 - (a) In administering a program or activity funded in whole or in part with CDBG funds regarding which the SUBRECIPIENT has previously discriminated against persons on the ground of race, color, national original, sex or disability, the SUBRECIPIENT must take affirmative action to overcome the effects of prior discrimination.
 - (b) Even in the absence of such prior discrimination, a SUBRECIPIENT in administering a program or activity funded in whole or in part with CDBG funds should take affirmative action to overcome the effects of conditions which would otherwise result in limiting participation by persons of a particular race, color, national origin, sex or disability, to exclude individuals from participation in, to deny them the benefits of, or to subject them to discrimination under any program or activity to which CDBG funding applies, the SUBRECIPIENT has an obligation to take reasonable action to remove or overcome the consequences of the prior discriminatory practice or usage, and to accomplish the purpose of the Civil Rights Act of 1964.
 - (c) A SUBRECIPIENT shall not be prohibited by this part from taking any eligible action to ameliorate any

imbalance in services or facilities provided to any geographic area or specific group of persons within its jurisdiction where the purpose of such action is to overcome prior discriminatory practice or usage.

- (6) Notwithstanding anything to the contrary in Sections A.10.a(1-5), nothing contained herein shall be construed to prohibit any SUBRECIPIENT from maintaining or constructing separate living facilities or rest room facilities for the different sexes. Furthermore, selectivity on the basis of sex is not prohibited when institutional or custodial services can properly be performed only by a member of the same sex as the recipients of the services.

b. Employment Discrimination.

- (1) SUBRECIPIENT shall not discriminate against any employee or application for employment because of race, color, religion, sex, national origin, age or disability. SUBRECIPIENT shall take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, age or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training including apprenticeship. SUBRECIPIENT agrees to post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- (2) SUBRECIPIENT shall, in all solicitations or advertisements for employees placed by or on behalf of SUBRECIPIENT, state that all qualified applications will receive consideration for employment without regard to race, color, religion, sex, national origin, age or disability.

- (3) SUBRECIPIENT shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contractor understanding, a notice to be provided by CITY'S contracting officers advising the labor union or workers' representative of SUBRECIPIENT'S commitments under Section 202 of Executive Order No. 11246 of September 14, 1965, and shall post copies of the notices in conspicuous places available to employees and applicants for employment.
- (4) SUBRECIPIENT shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) SUBRECIPIENT shall furnish to the CITY all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the related rules, regulations, and orders.
- (6) In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) SUBRECIPIENT shall include the provisions of Section A.10.B, "Affirmative Action Policy," Paragraphs 1 through 6, in every subcontract or purchase order unless exempted by rules, regulations, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. SUBRECIPIENT shall

take such action with respect to any subcontractor or purchase order as the CITY may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the CITY, SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

- (8) SUBRECIPIENT shall not discriminate on the basis of age in violation of any provision of the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to any otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794). SUBRECIPIENT shall also provide ready access to and use of all CDBG fund assisted buildings and programs to qualified persons with disabilities in compliance with the Americans with Disabilities Act of 1990.
- (9) SUBRECIPIENT will provide a drug-free workplace by:
 - (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
 - (b) Establishing an ongoing drug-free awareness program to inform employees about:
 - 1) The dangers of drug abuse in the workplace.
 - 2) The grantee's policy of maintaining a drug-free workplace.
 - 3) Any available drug counseling, rehabilitation, and employee assistance programs.

- 4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a).
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:
 - 1) Abide by the terms of the statement.
 - 2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
- (e) Notifying the agency, in writing, within ten (10) calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
- (f) Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:
 - 1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended;

OR

- 2) Requiring such employee to participate satisfactorily in a drug-abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a)-(f).
- (h) "Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15).

"Conviction" means a finding of guilt (through a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug statutes.

"Criminal drug statute" means a federal or nonfederal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance.

"Employee" means the employee of a SUBRECIPIENT directly engaged in the performance of work under this contract including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under this contract and who are not on the SUBRECIPIENT'S payroll. This definition does not include workers not on the payroll of the SUBRECIPIENT (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the payroll; or employees of

SUBRECIPIENTS or subcontractors in covered workplaces).

- c. Remedies. In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, the CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts and any such other sanctions as may be imposed and remedies invoked as provided by law.
11. Ineligibility of Subrecipients of Contractors. SUBRECIPIENT shall not use CDBG funds directly or indirectly in its operations or to employ, award contracts to, or otherwise engage the services of, or fund any contractor during any period of debarment, suspension, or placement in ineligibility status of the SUBRECIPIENT or such contractor under the provisions of 24 CFR Part 24.
12. Conflict of Interest. In the procurement of supplies, equipment, construction and services by SUBRECIPIENT, the conflict of interest provisions in Attachment O of OMB Circular No. A-110 and 24 CFR 570.611 shall apply.
13. Condition for Religious Organization. SUBRECIPIENT shall comply with all applicable conditions prescribed in 24 CFR 570.200(j) and by HUD for the use of CDBG funds by religious organizations if SUBRECIPIENT is a religious organization.
14. Suspension and Termination. In accordance with 24 CFR 85.43, suspension or termination may occur if SUBRECIPIENT materially fails to comply with any term of this Agreement and/or the award, of this Agreement and/or the award may be terminated for convenience in accordance with 24 CFR 85.44.
15. Reversion of Assets. Upon termination or expiration of the term of this Agreement, the SUBRECIPIENT shall transfer to the CITY any CDBG funds on hand at the time of such termination or expiration and any accounts receivable attributable to the use of CDBG funds. Any real

property under the SUBRECIPIENT'S control that was acquired or improved in whole or in part with CDBG funds shall either be:

- a. Used to meet one of the national objectives stated in 24 CFR 570.208 until five (5) years after termination or expiration of this Agreement, or for such longer periods of time as determined to be appropriate by the CITY; or
- b. Disposed of in a manner that results in the CITY'S being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Reimbursement to the CITY shall not be required after the period of time specified in Section A.15.a of this Agreement.

- 16. Independent Contractor. SUBRECIPIENT agrees that the performance of obligations hereunder are rendered in its capacity as an independent contractor and that it is in no way an employee or agent of the CITY.
- 17. Licensing. SUBRECIPIENT agrees to obtain and maintain all licenses, registrations, accreditations, and inspections from all agencies governing its operations. SUBRECIPIENT shall insure that its staff shall also obtain and maintain all required licenses, registrations, accreditations, and inspections from all agencies governing SUBRECIPIENT'S operations hereunder.
- 18. Inspection of Records. CITY and the United States government and/or their representatives shall have access for purposes of monitoring, auditing, and examining SUBRECIPIENT'S activities and performance, to books, documents and papers, and the right to examine records of SUBRECIPIENT'S subcontractors, bookkeepers and accountants, employees and participants in regard to said program. CITY and the United States government and/or their representative shall also schedule on-site monitoring at their discretion. Monitoring activities may also include, but are not limited to, questioning employees and participants in said program and entering any premises or any site in which any of the services or activities funded hereunder are conducted or in which any of the records of SUBRECIPIENT are kept. Nothing herein shall be

construed to require access to any privileged or confidential information as set forth in federal or state law.

SUBRECIPIENT agrees to provide notification of any audits or investigations, including copies of results, findings, and/or liens.

In the event SUBRECIPIENT does not make the above-referenced documents available within the City of Escondido, California, SUBRECIPIENT agrees to pay all necessary and reasonable expenses incurred by CITY in conducting any audit at the location where said records and books of account are maintained.

19. Assignability. SUBRECIPIENT shall not assign or transfer any interest in this Agreement, whether by assignment, delegation or novation, without the prior written consent of CITY; provided, however, that claims for money due or to become due to SUBRECIPIENT from CITY under this Agreement may be assigned to a bank, trust company or other financial institution, or to a trustee in bankruptcy, without such approval. Any assignment, delegation or novation other than as provided above shall be void and inoperative. Notice of any proper assignment or transfer shall be promptly furnished to CITY.

20. Hold Harmless.

- a. SUBRECIPIENT shall indemnify and save harmless CITY, its officers and employees, from and against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of CITY, and shall defend, indemnify and save harmless CITY, its officers, and employees from and against any and all claims, demands, suits, actions or proceedings of any kind or nature, including, but not by way of limitation, workers' compensation claims, resulting from or arising out of the negligent acts, errors or omissions of SUBRECIPIENT, its employees or subcontractors.
- b. SUBRECIPIENT, shall indemnify and save harmless CITY, its officers, and employees from and against any and all damages to property or injuries to or death of any person or persons, including property, and employees or agents of CITY, and shall defend,

indemnify and save harmless CITY, its officers, and employees from and against any and all claims, demands, suits, actions or proceedings therefrom, resulting from or arising out of the intentional or malicious acts of SUBRECIPIENT, its employees or subcontractors.

21. Insurance.

- a. SUBRECIPIENT shall furnish the City Clerk of the City of Escondido, 201 N. Broadway, Escondido, CA 92025, insurance certificates from its workers' compensation insurance carrier certifying that it carries such insurance and that the policy shall not be canceled nor the coverage reduced except upon thirty (30) days prior written notice to CITY at the address specified in Section C.2 herein.
- b. SUBRECIPIENT shall obtain, at its sole cost, a comprehensive general liability insurance and automobile insurance policy insuring against liability for any and all claims and suits for damage or injuries to persons or property resulting from arising out of operations of SUBRECIPIENT, its officers, agents, or employees. Said policies of insurance shall each provide coverage for both bodily injury and property damages in not less than the following minimum amounts: one million dollars (\$1,000,000.00) combined single limit, or its equivalent. Said policies shall also contain a provision that no termination, cancellation, or change of coverage of insured or additional insured shall be effective until thirty (30) days notice thereof has been given in writing to CITY at the address specified in Section C.2 herein.

SUBRECIPIENT shall file with the City Clerk prior to exercising any right or performing any obligation pursuant to this Agreement, and maintain for the period covered by this Agreement, a policy or policies of general liability insurance, or certificate of such insurance, written on a California admitted carrier with a Best's rating of A. V., satisfactory to the City Attorney, along with an additional insured endorsement naming the City of Escondido, 201

N. Broadway, Escondido, CA 92025, as additional insured for each policy except workers' compensation.

- c. SUBRECIPIENT shall give CITY prompt and timely notice of any claim made or suit instituted. SUBRECIPIENT shall procure and maintain, at its own cost and expense, any additional kinds and amount of insurance, which, in its own judgment, may be necessary for its proper protection in the prosecution of the work.

B. CITY OBLIGATIONS

1. Payment of Funds. CITY shall pay to SUBRECIPIENT from CDBG funds, when, if and to the extent received from HUD, amounts expended by SUBRECIPIENT in carrying out said program pursuant to this Agreement up to a maximum aggregate payment of \$75,000 in installments determined by CITY. Payment shall be made to SUBRECIPIENT through the submission of periodic invoices, in a form prescribed by CITY, detailing such expenses. CITY shall pay such invoices within thirty (30) days after receipt thereof, provided CITY is satisfied that such expenses have been incurred within the scope of this Agreement and that SUBRECIPIENT is in compliance with the terms and conditions of this Agreement.
2. Audit of Account. CITY shall include an audit of the account maintained by SUBRECIPIENT pursuant to Section A.8 of this Agreement in CITY'S annual audit of all CDBG funds pursuant to federal regulations found in Title 24 of the Code of Federal Regulations and other applicable federal laws and regulations.

C. MISCELLANEOUS PROVISIONS.

1. Termination of Agreement. CITY or SUBRECIPIENT may terminate this Agreement by giving written notice to the other party thirty (30) days prior to effective date of termination. Additionally, the CITY shall have the right, in accordance with 24 CFR 85.43, to terminate this Agreement immediately or withhold payment of any invoice for failure of the SUBRECIPIENT to comply with the terms and conditions of this Agreement. Should the CITY decide to terminate this Agreement after a full evaluation of all circumstances has been completed, the SUBRECIPIENT shall, upon

3. Exclusivity and Amendment of Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the services of SUBRECIPIENT and provision of CDBG funds by CITY and contains all the covenants and agreements between the parties with respect to the conditions of said services and funding in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement or amendment hereto shall be effective unless executed in writing and signed by both CITY and SUBRECIPIENT.

4. Laws Governing This Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state of California, all applicable federal statutes and regulations as amended, and all applicable local laws.
5. Severability. The invalidity in whole or in part of any provision of this agreement shall not void or affect the validity of any other provisions of this Agreement.
6. Construction of Agreement. The provisions of this Agreement and its Exhibits shall be construed as a whole. The captions preceding the text of each section are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.

IN WITNESS WHEREOF, CITY and SUBRECIPIENT have caused this Agreement to be executed by their duly authorized representatives.

SUBRECIPIENT

By _____
Executive Director

Date: _____

By _____
President of Board of Directors
(above signatures must be notarized)

Date: _____

CITY OF ESCONDIDO

By _____
Jerry H. Van Leeuwen
Director of Community Services

Date: _____

By _____
Marsha Whalen, City Clerk

Date: _____

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY
Jeffrey R. Epp, City Attorney

By: _____

State of California) ss

County of San Diego)

On _____ before me, _____,

Notary Public, personally appeared

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

State of California) ss

County of San Diego)

On _____ before me, _____,

Notary Public, personally appeared

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____